

- CONFIDENTIAL -

Board Meeting of ABC Super Pty Ltd held on 7 February 2013

Agenda Item No. 12 :

Operations Report

Recommendation

It is recommended that the Board:

1. Adopt the following practices in relation to the investment of accounts of reversionary pensioners:
 - (a) *where a member has not nominated a reversionary beneficiary, the account balance of a member should continue to be transferred to the cash investment option when we receive written evidence of the member's death; and*
 - (b) *where a member has nominated a reversionary beneficiary, the account balance of a member should continue to be invested according to the last instructions on the account when we receive written evidence of the member's death. Within one month of receiving written evidence of the member's death, if the fund is unable to confirm that the reversionary beneficiary is entitled to the benefit, the account balance of a member should be transferred to the cash investment option.*
 2. Review and approve the new financial services guide (FSG) in relation to ABC Super's advice offering
 3. Note the monthly update from the fund's administrator SUPERADMIN
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1.1 New FSG

Note the monthly report from the fund's administrator SUPERADMIN

1.2 Background

ABC Super and SUPERADMIN have entered into a contract for SUPERADMIN to provide limited financial advice to ABC Super members from 1 July 2013.

1.3 Strategic Plan linkage

This proposal links to the strategic plan item B2.1 Retention of member FUM.

1.4 Key issues for consideration

- Disclosure of the nature of the relationship and remuneration arrangements is critical to ensure that it reflects the contracted services.
- The new FSG must be provided to members who call SUPERADMIN.

1.5 Financial analysis

Printing of the FSG will cost \$15,000. This has been accounted for in the project budget.

1.6 Risk analysis

Incorrect information in the FSG can result in breaches of the Corporations Act.

1.7 Social / Environmental / Regulatory issues

Excerpt from ASIC REGULATORY GUIDE 168: Disclosure: Product Disclosure Statements (and other disclosure obligations) October 2011

RG 168.16

Retail clients may receive a number of different disclosure documents prior to the issue of a financial product. Each document has its own purpose and relates to a different stage of the investment process:

- (a) when a client wants a financial service, disclosure is in the form of an FSG;
- (b) when a client is seeking financial advice, disclosure is in the form of an SOA; and
- (c) when a client wishes to buy a financial product, disclosure is in the form of a PDS (or Short-Form PDS).

RG 168.17

Each of these disclosure documents must be worded and presented in a clear, concise and effective manner.

RG 168.20

An FSG includes information such as:

- (a) who will provide the service;
- (b) the kinds of financial services offered;
- (c) information about who the service provider is acting for when providing the financial service;
- (d) information about the means by which the service provider is remunerated for the services being offered to the retail client including details of commissions; and
- (e) details of any associations or relationships that might be expected to influence a service provider in providing the service.

1.8 Stakeholder issues

SUPERADMIN's legal and compliance team have reviewed and approved their portion of the FSG document.

1.9 Conclusion/Recommendation

It is recommended that the Board:

Review and approve the new financial services guide (FSG) in relation to ABC Super's advice offering

Prepared by

Kerry Wishart
Chief Operations Manager

Reviewed by

Terence Abbott
Chief Executive Officer



Combined Financial Services Guide (FSG)

1 July 2013

Issued by:

ABC SUPER PTY LIMITED
ABN 46 123 456 789
("the Trustee")

And:

SUPERADMIN PTY LTD
ABN 81 987 654 321

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

The FSG is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Before acting on any of the information contained in the FSG, you should consider obtaining appropriate professional advice.

Who are the Trustee and the Administrator?

The Trustee is the trustee company, which manages and controls ABC Super ("the Fund").

The Administrator, SUPERADMIN, has been contracted by the Trustee to provide member and employer enquiry and administration services to the Fund and receives a fee for these services. SUPERADMIN has authorised the distribution of this FSG.



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

The Trustee is authorised under its Australian Financial Services Licence (“AFSL”) to provide general financial product advice for superannuation products. In addition, the Trustee is also authorised to provide limited personal financial product advice under the terms of its licence. The Administrator is authorised to provide general financial product advice and limited personal advice, and to deal in respect of superannuation products.

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

Written enquiries will be answered by a representative of either the Trustee or the Administrator. All contact with us through any of the Fund’s telephone numbers will generally be with a representative of the Administrator and any general financial product advice will be provided by the Administrator as a Representative of SUPERADMIN Financial Advice. Any general financial product advice or limited personal financial product advice provided on or through the Fund’s website will be provided under the Trustee’s AFSL.

With the exception of SUPERADMIN Financial Advice providing limited personal advice and issuing a Statement of Advice or the Trustee providing limited personal advice and issuing a Statement of Advice through the online calculator *ABC Plan4U*, at no other time will either the Trustee or the Administrator take into account your

particular financial needs, circumstances or objectives in giving advice, and all advice provided will be of a general nature only.

This FSG does not relate to financial planning services or other types of personal financial product advice with the exception of limited personal advice provided through ABC *FinSoft* or through the Administrator or its authorised employees.

Who will be responsible for the provision of financial services?

Either the Trustee or the Administrator will be responsible for the financial services provided to you.

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

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

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

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



Fund and membership fees are applied to meet overall costs of running and managing the Fund.

How are representatives paid?

The Fund is run only to benefit members. That means that the Trustee does not pay commissions to financial planners. All of the Trustee's employees are paid a salary. Representatives employed by the Administrator are paid a salary and may receive a performance-related bonus.

No commissions or fees are paid either to representatives of the Trustee or Administrator for any of the services provided to you.

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

The Trustee does not have any relationships or associations with any other product issuer that could be expected to influence the provision of financial services. SUPERADMIN Financial Advice, the Australian Financial Services Licensee on whose behalf the Administrator acts, is a wholly-owned subsidiary of SUPERADMIN (Australia) Pty Ltd. SUPERADMIN and its subsidiaries also issue superannuation products, managed investment products and a non-cash payment facility.

If you use the financial services offered by ABC Financial Advice, it may charge you fees. If fees are to be charged, these will be discussed with you prior to those fees being incurred. Any Statement of Advice and any financial services provided to you by ABC Financial

Advice will be provided under its corporate authorised representative arrangements with SUPERADMIN Financial Advice (Australia) Pty Ltd.

Compensation arrangements

The Trustee and SUPERADMIN each have adequate Professional Indemnity Insurance arrangements in place to compensate fund members or their beneficiaries for loss or damage because of breaches of any relevant legislative obligations by the Trustee, SUPERADMIN or their representatives.

What should you do if you have a complaint?

The Trustee and the Administrator are committed to handling any complaints promptly and fairly. All complaints will be managed in the strictest of confidence.

If you have a complaint about the Fund or about financial product advice provided by the Trustee you should contact:

Complaints Officer
ABC Super
Level 20, 512 Spring Street
MELBOURNE VIC 3000

Telephone: (03) 8677 4321

The matter will be investigated by the Complaints Officer. You will be advised of our decision within 90 days of receipt of your complaint by ABC Super.

If we have not responded to your complaint within 180 days, or you are not satisfied with our decision, you may be able to take the matter to the Superannuation Complaints Tribunal (SCT):

Superannuation Complaints Tribunal

ABC Super

www.abcsuper.com.au



Locked Bag 3060
Melbourne Vic 3001
Telephone: 1300 884 114 (local call cost
in Australia)



Further information

If you are thinking about making salary sacrifice contributions, consider obtaining advice from a licensed financial adviser to understand how this works for your personal situation and how you might be able to combine before-tax and after-tax contributions to your advantage. ABC Super offers a financial planning service. To make an appointment or to speak with a planner, call **1300 123 456**.

We also have representatives who can provide you with general advice and explain the options available through ABC Super.

Important information

This factsheet provides key information for Industry and Personal members of ABC Super. You should consider all the information contained in the Member Guide before making a decision about investing in ABC Super.

The information provided in this fact sheet is general information only and does not take into account your objectives, financial situation or needs. Before making a financial decision, please assess the appropriateness of the information to your individual circumstances and consider seeking professional advice.

The ABC Financial Advice Service is offered to members of ABC Super (ABN 71 123 456 789) through an arrangement with SUPERADMIN Financial Advice (Australia) Pty Ltd (SFA) (ABN 47 654 987 321) which holds an Australian Financial Services Licence.