

March 2016

Dear Member,

**Significant Event Notice – Successor Fund Transfer**  
**Member No:**

After an extensive review of options to deliver better value to members, we as the Trustee of EquitySuper are writing to advise that an 'in-principle' decision has been made to transfer members in EquitySuper and all its sub plans, including Freedom of Choice, to another regulated superannuation fund - The Executive Superannuation Fund (TESF) ABN 60 998 717 367. It is intended that this will occur by way of a Successor Fund Transfer (SFT), with effect from 1 April 2016.

An SFT involves the transfer of members and their benefits from one fund to another fund – the 'successor' fund. In order to transfer members on this basis, the Trustee must be satisfied that members' rights in the successor fund in respect of the transferred benefits will be equivalent to the rights members have in the transferring fund immediately prior to the transfer. The Trustee is satisfied that TESF will qualify as a successor fund and has made an 'in-principle' decision to transfer members to TESF on that basis. The 'in-principle' decision is subject to completion of the necessary legal documentation and the receipt of final legal advice. In the unlikely event that the transfer does not proceed you will receive a further notice.

This Significant Event Notice summarises the impact of the SFT on your benefits in EquitySuper. The enclosed *EquitySuper Transfer - Important Information About the SFT* outlines further information about the SFT, including the transfer process and steps you should or may wish to take, and explains in more detail any material impacts relevant to your benefits (where applicable).

At the end of this Significant Event Notice, there is also a separate notice from TESF's trustee in relation to future communications from TESF.

**Changes as a consequence of the transfer**

As a result of the SFT:

- You will cease to be a Freedom of Choice member of EquitySuper and will become a Freedom of Choice member of TESF. However, your member number and investments will remain the same.
- Any binding death nomination you have in place will become invalid and you'll need to make a new nomination in TESF from 1 April 2016.
- Third party and other authorities (e.g. power of attorney, financial advice authority) will also become invalid. Additionally, any arrangement to pay your adviser a fee for service will cease to be effective on 1 April 2016. To reinstate these types of arrangements, new agreements will have to be signed and provided to TESF after the transfer date.

For further information on these points, please refer to the enclosure.

### **Fees and costs**

From 1 April 2016, the fees and costs that will be applicable to your account in TESH will be different. The following table shows some of the fees and costs that currently apply to your account in EquitySuper and the fees and costs that will apply from to your account in TESH:

<b>EquitySuper (up to 1 April 2016)</b>	<b>The Executive Superannuation Fund (from 1 April 2016)</b>
Administration fee \$60.00 to \$63.00 per annum, deducted from your account.	Administration fee \$117.26 per annum, deducted from your account.
<b>Plus</b>	<b>Plus</b>
A percentage-based fee (calculated on a sliding scale ranging from 1.60% to 0.40% of assets) deducted from your account balance.	A percentage-based fee (calculated on a sliding scale ranging from 0.93% to 0.12% of assets) deducted from your account balance.

TESH charge fees in relation to family law information requests and family law splitting requests (pursuant to a court order or binding superannuation agreement following a relationship breakdown). However, family law related activity fees are generally lower in TESH.

Further information about the fees and costs applicable to your account in EquitySuper can be found in the Product Disclosure Statement (PDS) and any significant event notices you have previously received from us. For further information about the other fees and costs applicable in TESH, refer to the enclosure.

### **Pension payments**

Pension payments will continue to be paid in accordance with the arrangements that currently apply to your pension account in EquitySuper, subject to:

- any change in the payment arrangements you may request, or
- any change that is required to be made by the trustee of EquitySuper to ensure applicable minimum (and, in the case of transition to retirement pensions, maximum) payment standards prescribed in superannuation legislation are adhered to. For example, this means you may receive a pension payment prior to 1 April 2016 that you were not otherwise scheduled to receive, or a higher pension payment amount than you were otherwise scheduled to receive, so that the minimum pension payment amount for the period 1 July 2015 to 31 March 2016 is made to you in accordance with the prescribed standards.

Your pension payments in TESH will be paid in accordance with arrangements applicable to your pension account in EquitySuper as at the transfer date, subject to any adjustments that must be made by the trustee of TESH for adherence to prescribed payment standards for the period 1 April 2016 to 30 June 2016 and subsequent financial years, and any variation to the regularity or amount of your pension that you may request on or after 1 April 2016.

## More information

Refer to the enclosed information for more detail on TESF and how your membership may change after the transfer into TESF.

Please note, if you are in receipt of an age pension from the Government, you should consult Centrelink or the Department of Veteran Affairs in relation to the impact (if any) of receiving a pension from your superannuation account on your age pension.

A Product Disclosure Statement (PDS) containing further information relevant to your account will also be made available on the Freedom of Choice website [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au), or on request, after the transfer.

In late April/early May 2016 the trustee of TESF will send you a Welcome Pack outlining your membership in TESF. The trustee of TESF is also required to give, or make available to you, a PDS applicable to your membership. The trustee of TESF may use electronic means to give you the PDS and other documents relating to your membership. Please refer to the TESF Notice below for important information about how communications may be delivered to you.

**Issued by Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757 as Trustee of EquitySuper ABN 38 531 644 711.**

### TESF Notice – Member communications in TESF

This notice is issued by Equity Trustees Limited ABN 46 004 031 297, AFSL 240975 as trustee of the Executive Superannuation Fund, (and distributed on our behalf by Equity Trustees Superannuation Limited).

The Trustee may provide or make available to you electronically (for example, via TESF's website), the following information or information of the following type:

- Product Disclosure Statements
- Financial Services Guides
- Periodic statements (excluding exit statements)
- Annual reports
- Disclosures regarding material changes and significant events
- Statements of Advice
- Additional product information (requested from us)

**unless** you specifically elect not to receive these communications or types of communications by the electronic means.

If you do not want to receive communications from TESF electronically (e.g. you would prefer to have the hard copy posted to you), please contact:

Freedom of Choice Client Services  
GPO Box 2945, Melbourne VIC 3001

Please note this must be a signed document including your request, full name, date of birth, address and member number.

# EquitySuper Transfer

Important information about the  
Successor Fund Transfer



## Why is EquitySuper Transferring to The Executive Superannuation Fund?

The Federal Government's Stronger Super reforms in recent years have resulted in increased governance, risk management and reporting obligations for superannuation funds.

Following consideration of a number of options to manage these responsibilities while still delivering value to members, we as the Trustee have made the 'in-principle' decision to transfer members in EquitySuper to The Executive Superannuation Fund (TESF) via a Successor Fund Transfer (SFT).

An SFT involves the transfer of members and their benefits from one fund to another fund – the 'successor' fund – without the consent of members. In order to transfer members on this basis, the Trustee must be satisfied that members' rights in the successor fund in respect of the transferred benefits will be equivalent to the rights members have in the transferring fund immediately prior to the transfer. The Trustee is satisfied that TESF will qualify as a successor fund and has made an 'in-principle' decision to transfer members to TESF on that basis. This decision is subject to completion of the necessary legal documentation and the receipt of final legal advice. In the unlikely event that the transfer does not proceed, you will receive a further notice.

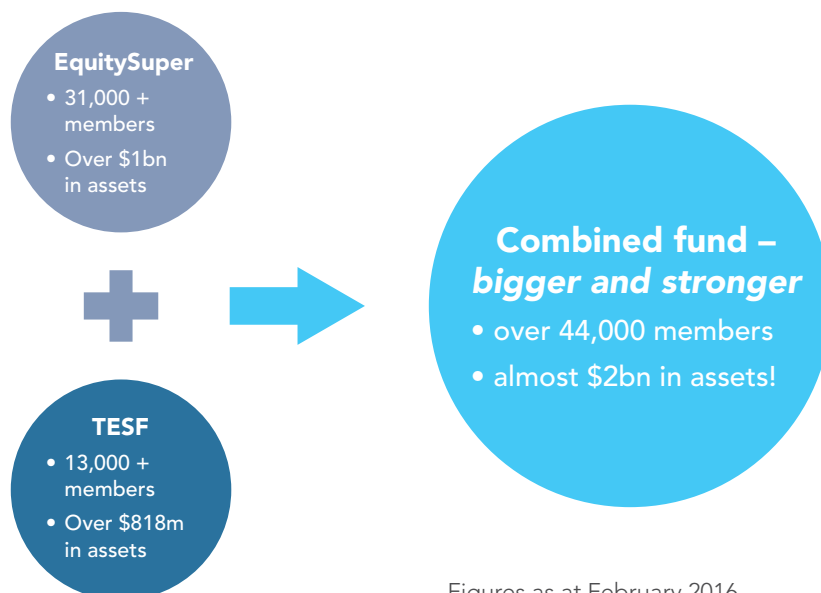
## Bigger and Stronger

The outcome of the SFT will be a larger, superior fund with more members and assets.

This larger, combined fund will provide the trustee of TESF with additional purchasing power to negotiate lower costs with its service providers over the long term. Such savings may then be passed on to you through enhanced services and benefits and/or lower fees.

## Who is TESF?

TESF is a superannuation master trust, designed to provide financial security for its members and their retirement savings. TESF caters to different types of members and products including accumulation accounts for employer-sponsored members and personal members as well as pension accounts for retirees. TESF offers a wide range of investment options in which members can choose to invest their superannuation assets. TESF has a MySuper product, called MySuper MyLife.

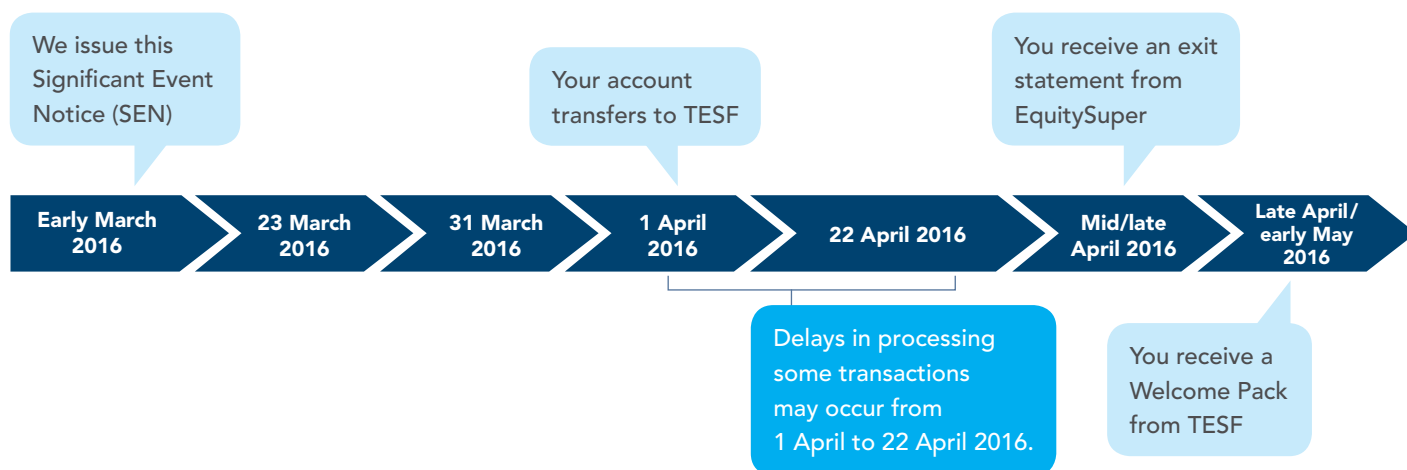


Figures as at February 2016.

## When Will the Transfer Occur?

The intended transfer date is **1 April 2016**. Subject to the satisfaction of all legal requirements, your account balance in EquitySuper will be transferred to TESH with effect from 1 April 2016.

This means that from 1 April 2016, you cease to be a Freedom of Choice sub-plan member of EquitySuper and will be a Freedom of Choice sub-plan member of TESH.



### What is Changing and What is Staying the Same?

Fund name	Changing to The Executive Superannuation Fund
Sub-plan name	No change – Freedom of Choice, a sub-plan of The Executive Superannuation Fund
Fund trustee	No change – Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757, AFSL 229757
Fund administrator	No change – Equity Investment Management Limited (EIML)
Fund ABN	Changing to ABN 60 998 717 367
Fund Unique Superannuation Identifier (USI)	No change – You don't need to advise your employer of the fund change
Fund contact details	No change
Administration fees	A new simpler fee structure charged on a scale based on your average daily balance – see 'Fees in TESH'
Member number	No change
Bank details for contributions (if applicable)	No change
BPAY for contributions (if applicable)	Call 1800 806 013 after 1 April for the new BPAY biller code a reference number
Account balance	No change
Record of your Tax File Number (TFN)	No change – Your recorded TFN will be transferred to TESH
MySuper investment option (if applicable)	MyEquitySuper will change to MySuper MyLife Buy and sell spreads are no longer applicable in this investment option
Other investment options	No change – Your investment options will be moved across to TESH
Binding death benefit nominations (if applicable)	Any binding death benefit nomination you have in place will become invalid – see 'Death benefit nominations'
Non-binding death nominations	Any non-binding death nominations you have in place will transfer over – see 'Non-binding'
Third party authorities (e.g. Power of Attorney)	Any third party authority you have in place will become invalid – see 'Third party authorities'
Insurance (if applicable)	No change
Online access	No change

## If You Have a Complaint, Insurance Claim, Benefit Payment or Family Law Matter in Progress in EquitySuper

Should you have an urgent benefit claim such as financial hardship or TPD in EquitySuper during the suspension on processing, please contact 1800 806 013 to check the progress of your claim.

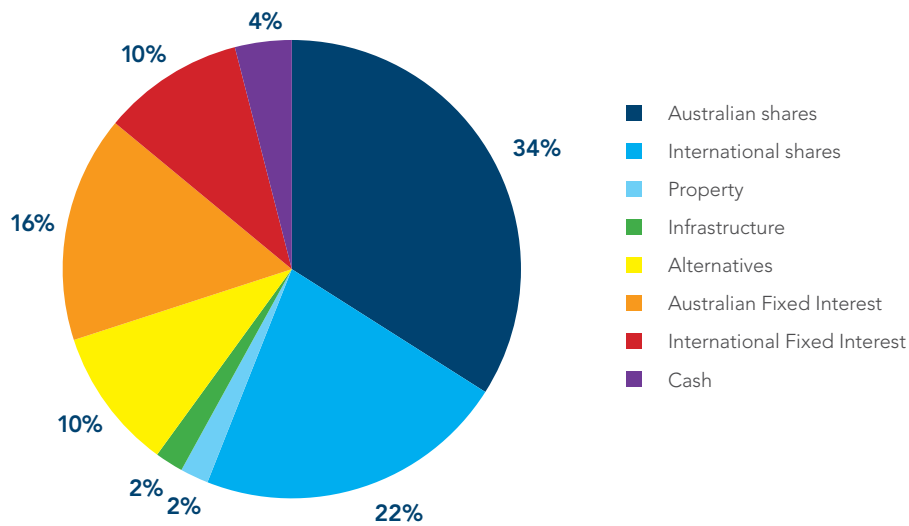
In relation to insurance claims in progress in EquitySuper, while such claims will continue to be assessed by the relevant Insurer, the trustee of TESH will become responsible for finalising the claims, and paying any insured benefits accepted by the Insurer.

## Investment details for MySuper MyLife investment option in TESH

From 1 April 2016, members who currently have holdings in MyEquitySuper will have those holdings transferred into the corresponding TESH MySuper option – MySuper MyLife.

This investment option is shown in the pie chart below.

Please note that the trustee of TESH may vary, add or remove available investment options.



### Performance objective

CPI + 3.5% p.a. over rolling 7 year periods

### Risk level\*

Level 5 Medium to High

### Indirect Cost Ratio

1.08%

Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

\*The risk level is based on a standard risk measure developed by the superannuation industry.

## Fees in TESH

The fees and costs that will be applicable to your account in TESH from 1 April 2016 are set out below. The Indirect Cost Ratio(s) (ICR) applicable to your account in TESH depend on how your account in TESH is invested.

	MySuper members	Choice members																	
Type of fee	Amount	Amount	How and when paid																
<b>Investment fee</b>	Nil	Nil	Not applicable																
<b>Administration fee</b>	\$117.26 per member (\$9.75 per month)	\$117.26 per member (\$9.75 per month) <b>PLUS</b> <b>For accumulation members</b> <table border="1"> <thead> <tr> <th>Account balance</th> <th>Fee % p.a.</th> </tr> </thead> <tbody> <tr> <td>First \$250,000</td> <td>0.79%</td> </tr> <tr> <td>Next \$250,000</td> <td>0.71%</td> </tr> <tr> <td>Amounts over \$500,000</td> <td>0.10%</td> </tr> </tbody> </table> <b>For pension members</b> <table border="1"> <thead> <tr> <th>Account balance</th> <th>Fee % p.a.</th> </tr> </thead> <tbody> <tr> <td>First \$250,000</td> <td>0.93%</td> </tr> <tr> <td>Next \$250,000</td> <td>0.84%</td> </tr> <tr> <td>Amounts over \$500,000</td> <td>0.12%</td> </tr> </tbody> </table>	Account balance	Fee % p.a.	First \$250,000	0.79%	Next \$250,000	0.71%	Amounts over \$500,000	0.10%	Account balance	Fee % p.a.	First \$250,000	0.93%	Next \$250,000	0.84%	Amounts over \$500,000	0.12%	Deducted from members' accounts monthly in arrears or on a pro-rata basis upon exit.  For Choice members – the percentage administration fee is calculated using the member's average daily balance and is deducted from their account at the end of each month or on a pro-rata basis upon exit.
Account balance	Fee % p.a.																		
First \$250,000	0.79%																		
Next \$250,000	0.71%																		
Amounts over \$500,000	0.10%																		
Account balance	Fee % p.a.																		
First \$250,000	0.93%																		
Next \$250,000	0.84%																		
Amounts over \$500,000	0.12%																		
<b>Buy/sell spread</b>	Nil	From 0% to 1.23% depending upon the investment option selected.	Included in the unit price and applied to your buy or sell transaction(s) as applicable.																
<b>Switching fee</b>	Nil	Nil	Not applicable																
<b>Exit fee</b>	\$30.75	\$30.75	Deducted from a member's account for each withdrawal.																
<b>Advice fees</b> Relating to all members investing in a particular investment option	Nil	Nil	Not applicable																
<b>Other fees and costs<sup>1</sup></b>																			
<b>Indirect cost ratio<sup>2</sup></b>	1.08% p.a.	From 0% to 3.56% depending upon the investment option selected.	Deducted from earnings before unit prices are calculated (usually) daily.																

Please note: Members with an accrued default amount (ADA) pay Choice administration fees. If the member also holds a MySuper balance in addition to their ADA balance, the Choice percentage fee is not charged on the MySuper portion of their account.

1 Activity fees, advice fees for personal advice and insurance fees may also apply.

2 Indirect cost ratios are estimates only, and may vary from year to year depending on underlying investment fees and costs.

## Action Required by Some Members

For legal reasons some members will need to complete new forms to ensure that current arrangements they have in place in EquitySuper.

### **If you have a binding death benefit beneficiary nomination in place in relation to your account in EquitySuper**

If you have a valid binding beneficiary nomination in place with EquitySuper immediately prior to the transfer of your account to TETF, from 1 April 2016 it will no longer be effective.

You will need to make a new binding death beneficiary nomination following the successor fund transfer if you would like the same nomination of beneficiaries to apply to your account in TETF.

To do this please use TETF's 'Death Benefit Beneficiary Nomination' form, which you can download at [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au) (from 1 April).

To be valid and effective, your binding nomination must be witnessed by two individuals who are over the age of 18 (and not your nominated beneficiaries) and meet other requirements.

Until a new binding beneficiary nomination form is received by TETF, your binding nomination in EquitySuper will be treated as a non-binding nomination in TETF. Therefore, it is important that you complete and return TETF's 'Nomination of Beneficiaries' form (duly completed) as soon as possible after 1 April 2016, if you would like your TETF account to be dealt with in a particular way in the event of your death while a member of TETF.

### **If you have a non-binding beneficiary nomination**

If you have made a non-binding nomination in EquitySuper, this nomination will continue to be taken into consideration in relation to the distribution of any death benefit from your account in TETF, however it is not binding on the trustee of TETF. If you would like make a new non-binding nomination in relation to your account in TETF, you will need to complete the 'Death Benefit Beneficiary Nomination' form, which you can download from [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au) (from 1 April).

As a member of TETF, you will continue to have the option to nominate the individual/s (beneficiaries) to whom you intend for your benefits to be paid from TETF upon your death, as a lump sum. Like EquitySuper, TETF offers two types of beneficiary nominations – binding and non-binding. Any nominations on or after 1 April 2016 must be made using TETF's forms.





## **If you intend to provide your Tax file number ('TFN'), to facilitate the refund to your account of additional (non-TFN related) tax**

**If we don't hold your TFN your account in EquitySuper may have incurred a significant amount of additional tax on concessional (pre-tax) contributions to your account in EquitySuper. To enable this tax to be returned to your account, you should ensure your TFN is recorded with EquitySuper prior to the transfer.**

You should advise us by **5pm on 31 March 2016**. If you provide us with your TFN after this date, we cannot guarantee a refund of the additional tax to your account will be processed before 1 April 2016.

Following the transfer of your account to TESF, it is no longer possible for any additional tax paid on concessional contributions to your EquitySuper account (within the last four financial years) to be refunded.

If you are unsure of whether we have your TFN, check the front page of the attached Significant Event Notice. If your TFN is shown as 'Not supplied', this means we do not have your TFN.

If you wish to avoid additional tax on contributions to any superannuation fund or wish to make personal contributions to a superannuation fund, you cannot do so without supplying your TFN to the fund.

### **To provide your TFN:**

Contact us by telephone on  
**1800 806 013**

Or complete and return our TFN Advice form which you can download from [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au)

## **If you chose EquitySuper for your employer's contributions in a 'choice of fund' arrangement or are a 'personal' member of EquitySuper**

If EquitySuper is your 'chosen' fund, your employer will be contributing any compulsory (Superannuation Guarantee) contributions for you to your EquitySuper account. On the transfer of your account to TESF, TESF will be treated as your 'chosen fund' and your employer can contribute its contributions to your TESF account from 1 April 2016.

## **If you currently have a third party or a personal advice fee authority in place in EquitySuper**

As at the transfer date, any third party authority you currently have in place in EquitySuper which permits another person to access information about, or provide instructions in relation to, your benefit in EquitySuper (such as those with Power of Attorney or an authority for EquitySuper to deduct personal advice fees from your EquitySuper account for payment to a financial adviser), will lapse.

You will need to complete and submit a new authorisation to TESF on or after 1 April 2016. You can request the relevant form from TESF by calling 1800 806 013 from 1 April 2016.

## Additional Information

### Product Disclosure Statement

A Product Disclosure Statement (PDS) containing further information about TESF relevant to your account will be made available on the Freedom of Choice website [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au), or on request, after transfer.

### Access to financial planning

Equity Trustees Superannuation Limited currently offers members of EquitySuper access to financial advice through its parent company, Equity Trustees Limited ('Equity Trustees') ABN 46 004 031 298; AFSL 240975. Financial advice fees apply. After the transfer to TESF, you will still be able to access these financial advice services as a member of TESF. Any financial advice services are provided by or on behalf of Equity Trustees in its capacity as a provider of financial services, and are not provided by the trustee of EquitySuper or TESF. Please call Equity Trustees on 1300 133 472 for further information, including the Financial Services Guide.

### Your exit statement and TESF Welcome Pack

An exit statement will be sent to you from EquitySuper by mid/late April 2016. This will confirm the benefit amount transferred to TESF and applicable transactions up to 31 March 2016.

In late April/early May 2016, you will receive a Welcome Pack from TESF which will include a welcome statement providing details of your account balance in TESF, insurance cover (if applicable) and the investment options applicable to your TESF account balance.

After the transfer, to ensure smooth processing of any of your requests please use the latest forms available from 1 April 2016 at [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au)



# Contact us

**1800 806 013**

[enquiries@freedomofchoice.com.au](mailto:enquiries@freedomofchoice.com.au)

[www.freedomofchoice.com.au](http://www.freedomofchoice.com.au)

GPO Box 2945

Melbourne VIC 3001

The Trustee is unable to provide members with personal financial advice and this notice is not, and should not be construed as, providing such advice. The Trustee recommends that you obtain financial advice from a suitably qualified and licensed financial adviser before you make any decision regarding the destination of your superannuation benefit or any other decision regarding your superannuation.