

# Superannuation Product Disclosure Statement

14 October 2020

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## Important...

This Product Disclosure Statement (PDS) has been prepared by Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733, RSE L0001441) (Trustee) which is the trustee of the Australian Ethical Retail Superannuation Fund (ABN 49 633 667 743, USI AETO100AU) (Fund).

Australian Ethical Investment Ltd (ABN 47 003 188 930, AFSL 229949) (Australian Ethical) offers to arrange for the issue of interests in the Fund, pursuant to an arrangement between Australian Ethical and the Trustee. The Trustee issues interests in the Fund in accordance with such offers, where the offer is accepted. This PDS is an offer by Australian Ethical.

The information in this Product Disclosure Statement (PDS) is current at the time of preparation. However, information in this PDS is subject to change and may be updated by us from time to time. A copy of this PDS and updated information (if not materially adverse) can be obtained, free of charge, by going to [australianethical.com.au/super/pds](http://australianethical.com.au/super/pds). We will give you advance written notice of any materially adverse changes.

You can also request a free paper copy or electronic copy of any updated information by contacting us on **1300 134 337**.

This PDS is a summary of the significant information you need to make a decision. It contains a number of references to important information that forms part of the PDS and is contained in the Super Additional Information Booklet, the Pension Additional Information Booklet (together referred to throughout this PDS as the Additional Information Booklets) and the Insurance Guide. The Additional Information Booklets and the Insurance Guide can be found on our website: [australianethical.com.au/super/pds](http://australianethical.com.au/super/pds) or by contacting us on **1300 134 337**. You should consider this important information before making your decision about the Fund. This offer is only available to persons receiving (including electronically) the PDS and other important information within Australia.

# 1 About the Fund

Australian Ethical Investment Ltd (Australian Ethical) is a publicly-listed funds management company, which has a long history of actively seeking out investments that are positive for society and the environment and avoiding investments in harmful activities.

Since pioneering ethical investment in Australia in 1986, Australian Ethical has grown to manage superannuation and investments for more than 50,000 investors.

Australian Ethical Superannuation Pty Ltd (Australian Ethical Super), the Trustee of the Australian Ethical Retail Superannuation Fund (the Fund), is a wholly owned subsidiary of Australian Ethical.

Australian Ethical is the investment manager for the Fund.

## Ethical investment is our only business

Australian Ethical believes the more money doing good for the planet, the better. Since 1986, Australian Ethical has been influenced by the 23 principles of the Australian Ethical Charter to invest in ethical and responsible initiatives that can have a positive impact on the planet, while achieving competitive long-term returns. Australian Ethical avoids investments in corporations that operate in harmful industries such as coal, oil, weapons, tobacco, gambling or are involved in human rights abuses. The Charter not only drives Australian Ethical's investment choices, but underpins every aspect of our business practices.

Australian Ethical strives to be a leader among ethical and responsible funds. Australian Ethical is a signatory to the United Nations' Principles for Responsible Investment, and Australian Ethical's funds have achieved certification by the Responsible Investment Association of Australasia (RIAA)<sup>1</sup>.



Australian Ethical is one of the founding B Corporations in Australia and in 2014 the first company listed on the ASX to receive B Corporation certification.

Each year since then, Australian Ethical has been included on the B Corporation 'Best for the World Honorees' which lists the top 10% of all certified B Corporations globally.

Australian Ethical believe it's important for businesses to play a leadership role in making the world a better place, not just to make profit. That's why Australian Ethical sets aside 10% of its after-tax profits (before bonus expense) every year to put back into the community via Australian Ethical's community grants program, through Australian Ethical's registered charity, the Australian Ethical Foundation Limited (ABN 14 607 166 503) . This initiative provides financial support to not-for-profit and social impact organisations that contribute to humanitarian, environmental and animal welfare efforts in Australia and overseas.

## MySuper

Australian Ethical Super has been authorised by the Australian Prudential Regulation Authority (APRA) to offer a MySuper product. MySuper is a Government legislated default superannuation arrangement that must meet minimum standards in relation to default insurance, investment strategy and fees. Employers must pay Superannuation Guarantee contributions for employees who have not made a choice of fund into an authorised MySuper product.

A Product Dashboard for our MySuper product, the Balanced (accumulation) investment option, is provided at [australianethical.com.au/super/product-dashboards](http://australianethical.com.au/super/product-dashboards)

The Product Dashboard contains information on the product's return target, historical performance, level of investment risk and fees and costs.

## Further information

Additional information about our investment options and the governance of the Fund, the trustee and executive remuneration for the Fund and any other documents that must be disclosed in accordance with superannuation law, is available on our website at [australianethical.com.au/super](http://australianethical.com.au/super)

<sup>1</sup> The Certification Symbol signifies that a product or service offers an investment style that takes into account certain environmental, social, governance or ethical considerations. The Symbol also signifies that Australian Ethical Super has adopted strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Superannuation Fund. The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Australian Ethical Super's methodology and performance can be found at [www.responsiblereturns.com.au](http://www.responsiblereturns.com.au), together with details about other responsible investment products certified by RIAA. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

## 2 How super works

**You should read...** the important information about your super account and the way superannuation operates before making a decision. Go to Section 2 of the Additional Information Booklets. The material relating to your super account and the way superannuation operates may change between the time when you read this PDS and the day when you acquire the product.

Superannuation (super) is a tax effective way to save for your retirement which is in part, compulsory. For many Australians, super will be their main source of retirement income. The Government provides tax concessions and other benefits. There are limitations on contributions to, and withdrawals from super, which are explained below.

### Contributions to super

There are different types of contributions available to a person (for example, employer contributions, voluntary (or personal) contributions, government co-contributions). Generally, your employer must make regular compulsory contributions to your super fund, known as Superannuation Guarantee contributions. Most people can choose the super fund where their employer puts their super contributions. It is important to tell your employer which fund you prefer, otherwise you will be placed in your employer's default fund, which must be MySuper authorised.

You can also make additional contributions to your super. Making additional contributions, even small amounts, can be an effective way to grow your super balance over time. You can make additional contributions by:

- salary sacrificing – asking your employer to deduct money from your pay before tax is deducted. These contributions will count towards your concessional contributions cap
- making personal contributions from your own savings or after-tax earnings. These contributions will count towards your non-concessional contributions cap
- making personal contributions from your before-tax earnings. These contributions will count towards your concessional contributions cap.

When you make additional personal contributions, you may also be entitled to a co-contribution from the Government.

Annual limits apply to the amount of contributions that can be paid into your super fund – both from your employer and personally. Further information about these contribution caps is provided in the Super Additional Information Booklet. Please visit [australianethical.com.au/super/pds](http://australianethical.com.au/super/pds)

Contributions you make will be allocated to your account within the super accumulation division of the Fund.

When you have retired, or you are transitioning to retirement, you can roll your benefits to the Fund's pension division. Additional contributions cannot be made to your pension division account after the commencement of your pension. Further information on starting a pension can be found in the Pension Additional Information Booklet.

### Combining your super

By combining the accounts you have with different super funds you can potentially save on fees. We can help find and transfer your other super into your Australian Ethical Super account when you join. This can be done in a number of ways:

- our Find My Super search is a free service we offer where we find your other super (by using your TFN to conduct a search on the ATO's SuperMatch service)
- alternatively, you can combine your super into your Australian Ethical Super account by requesting a rollover in the member portal or by completing the Rollover Form available on our website.

We recommend you seek financial advice and consider any fees or loss of insurance benefits before combining your accounts from other funds.

### Accessing your super

Super is intended to provide for your retirement and you usually cannot access your super until you reach your preservation age (between ages 55-60, depending on your date of birth) and retire or turn 65.

However, there are some circumstances when you can withdraw your super earlier, such as in the case of severe financial hardship (subject to meeting relevant requirements).

When you retire, you can use your accumulated super to commence receiving a pension through Australian Ethical Super, or take a lump sum payment. You can also commence a pension from your super benefits when you start to transition to retirement.

For more information about the rules applying to super contributions and on accessing your super, go to [moneysmart.gov.au](http://moneysmart.gov.au) or refer to the Super Additional Information Booklet.

## 3 Benefits of investing with the Fund

**You should read...** the important information about the benefits of investing with Australian Ethical Super before making a decision. Go to Section 3 of the Additional Information Booklets. The material relating to the benefits of investing with Australian Ethical Super may change between the time when you read this PDS and the day when you acquire the product.

### Our unique investment process

Australian Ethical believes in the transformative power of money to achieve both positive social and environmental outcomes. The Australian Ethical Charter, available in our Additional Information Booklets, influences our ethical investment decisions - what we seek to invest in and what we look to avoid - and also guides our corporate activities beyond our funds.

However, a decision based on ethics alone is not enough. To benefit our members, an investment is only made if it meets the investment criteria for portfolio inclusion with the expectation that all underlying portfolios will generate competitive investment returns over the long term.

Australian Ethical's Investment and Ethics research teams work together to provide our members with an ethical portfolio that aims to generate competitive returns over the long term.

Many super funds expose their members to investments in uranium mining, old growth forest logging, weapons, tobacco and gambling. Avoiding these areas, we seek investments in emerging growth sectors such as (but not limited to) renewable energy, technology, efficient

transport, recycling and health. Investments are across a broad spectrum of sectors ranging from new environmental and energy technologies to education and health. Further information on our ethical investment style is available at [australianethical.com.au/ethical-approach](http://australianethical.com.au/ethical-approach)

### Communications – staying in touch with you

You can keep track of your super by logging in to our member portal at [australianethical.com.au](http://australianethical.com.au)

We provide all the information that is material to the Fund on our website and in our annual report. If you have provided an email address to us, your member annual statement and other communications will be provided to you in your member portal. Important disclosures and significant changes that may affect your account will be communicated to you electronically (via email, SMS or other online channel) unless you have opted out of this communication method.

In addition, Australian Ethical's online newsletter Good Money, covers ethical investment issues, details of specific investments and ethical social issues.

### 3 Benefits of investing with the fund continued

#### Significant features and benefits include:

- easy online application
- monitor your super and make changes to your account in your member portal
- insurance options to look after you and your family, with premiums met from your super account

- flexible ways for you and your employer to make contributions
- receive a pension in retirement, without the need to change your super fund
- variety of investment options to suit your risk profile
- assistance to find and combine your super.

## 4 Risks of super

Super, like all investments, carries risks. Different investment options may carry different levels of risk, depending on the assets that make up the option. For instance, assets that expect to deliver the highest long-term returns may also carry the highest level of short-term risk.

Australian Ethical Super invests in numerous types of assets, including Australian shares, international shares, property and fixed interest. These asset classes behave differently over time and inherently have different levels of risk. Shares, for example, tend to provide higher returns over the long term, but are susceptible to fall in value over the short term when compared to other asset classes. Fixed interest investments are less susceptible to fall in value over the short term, but tend to offer lower returns than shares over the long term.

The investment options offered by Australian Ethical Super each have a different mix of these asset classes. Some of our investment options only invest in shares while others invest across multiple asset classes.

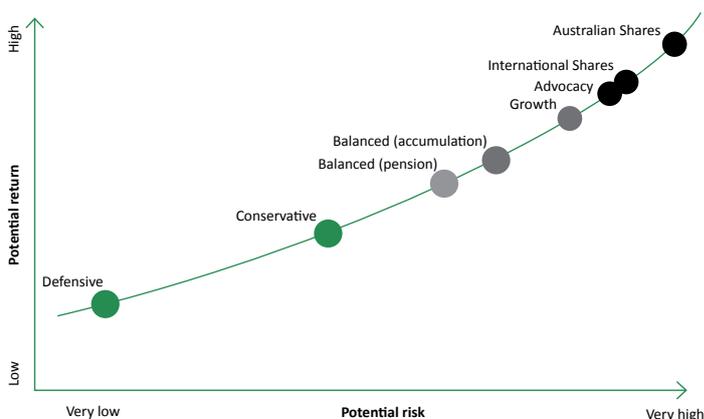
The acceptable level of risk for each person will vary depending on a range of factors such as your age, investment timeframe, your risk tolerance and where other parts of your wealth are invested.

You should assess your personal circumstances and goals carefully before you choose an investment option.

When considering your investment in the Fund, it is important to understand that:

- the value of your investment will vary. It will go up and down depending on the market prices of the assets held by your investment option
- returns for any investment option are not guaranteed and will vary
- you may lose some or all of your money
- future returns may differ from past returns

- the amount of your future super savings (including contributions and returns) may not be enough to provide adequately for your retirement
- superannuation laws may change in the future
- in the event of extreme market volatility the trustee of the Fund reserves the right to suspend unit pricing on any or all investment options
- the level of risk, each person may be willing to accept will vary depending on a range of factors, including age, investment time frames, other investments held, and their risk tolerance.



This chart represents the potential risk and return characteristics of our super investment options. It is not a forecast of actual risk or returns. The scale is indicative only.

## 5 How we invest your money

**You should read...** the important information about how we invest your money before making a decision. Go to Section 5 of the Additional Information Booklets. The material relating to how we invest your money may change between the time when you read this PDS and the day when you acquire the product.

Australian Ethical Super offers members a range of investment options that consider the environment, social issues, ethical issues and labour standards in the investment process. This approach is central to the Fund and we believe it makes good investment sense over the long-term.

### MySuper option

Australian Ethical Super has been authorised to offer the Balanced (accumulation) investment option as a MySuper product.

### Choose your own investment strategy

You can choose to invest in one or more of the following investment options when you invest with Australian Ethical Super:

- Defensive
- Conservative
- Balanced (accumulation)<sup>#</sup>
- Balanced (pension)<sup>\*</sup>
- Growth
- Advocacy<sup>#</sup>
- International Shares
- Australian Shares.

<sup>#</sup> These options are only available in the accumulation and transition to retirement division

<sup>\*</sup>This option is only available in the pension division

The portion of your investments held in the Balanced (accumulation) investment option will be considered as invested in the MySuper option. You can transfer your money between MySuper and any of the other investment options, or between the other options at any time by switching online in the member portal at [australianethical.com.au/client-login](http://australianethical.com.au/client-login)

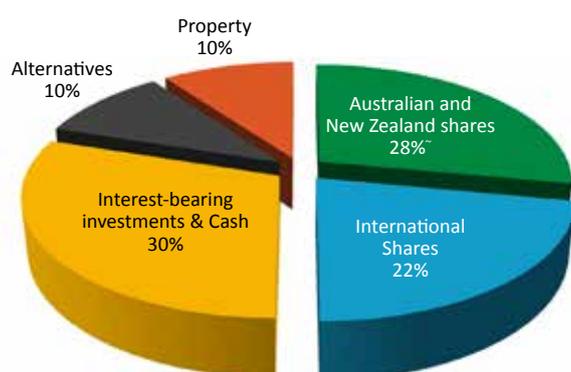
If you are an accumulation member and do not select an investment option when you join, we will invest your super in the Balanced (accumulation) option. If you are commencing a pension and do not select an investment option, your account will be invested in the Conservative investment option.

**Warning:** When choosing a MySuper product or an investment option in which to invest, it is important to consider the likely investment return, risk and your investment timeframe.

## 5 How we invest your money continued

Balanced (accumulation) option - MySuper product	
Investment return objective	To provide a diversified portfolio that has an appropriate balance between income and capital growth investments with medium to high levels of risk. It aims to achieve returns of 3.5% p.a. above inflation over the medium to longer term.
Investors that the MySuper product may suit	Members comfortable with a medium to high level of risk that have an investment timeframe of at least 5 years.
Recommended minimum investment timeframe	5 years
Risk level	Medium to high #
Performance and portfolio information	We may make changes to this option from time to time, including changes to the types of investments. We will notify members of any significant changes. You can also keep up-to-date with the option's unit price, performance and portfolio holdings through our website.

# Refer to section 5 of the Additional Information Booklets for the definition of the applicable standard risk measure.



Refer to Section 5 of the Additional Information Booklets for further information on 'How we invest' and the other investment options that are available.

The asset allocation shown is a strategic asset allocation and the actual allocation may vary within an allowable range due to market movements, investments into or withdrawals from the option or changes in the nature of an investment.

~ No more than 20% of the option's exposure to Australian and New Zealand shares will come from securities listed on the New Zealand stock exchange.

## 6 Fees and costs

**You should read...** the important information about our fees and costs before making a decision. Go to Section 6 of the Additional Information Booklets and [australianethical.com.au/super/fees](http://australianethical.com.au/super/fees) for the relevant definitions. The material relating to fees and costs may change between the time when you read this PDS and the day when you acquire the product.

### 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 account 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 or your employer, as applicable, may be able to negotiate to pay lower fees. 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.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

This section provides information on the fees and other costs that you may be charged. These fees and other costs may be deducted from your account, from the returns on your investment, or from the assets of the superannuation entity as a whole. Fees are accrued from the date you join the fund.

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. Entry fees and exit fees cannot be charged. Taxes, insurance fees and other costs relating to insurance are set out in sections 7 and 8 of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment. You can also use this information to compare our fees and costs with those of other funds.

**Warning:** If you consult a financial adviser, additional fees may be payable to the adviser by you. You should refer to the adviser's Statement of Advice for details. Where adviser service fees are ongoing, we will continue to pay your adviser until you instruct us otherwise.

## 6 Fees and costs continued

Balanced (accumulation) option: MySuper product		
Type of fee	Amount	How and when paid
Investment fee <sup>1</sup>	0.64% of your account balance per annum	Investment fees are accrued daily and paid from the Fund's assets. Fees are calculated as a percentage of the daily net asset value of each option. The investment fee you pay will depend on the investment options you are invested in.
Administration fee <sup>1</sup>	\$97 per annum, plus 0.29% of your account balance per annum	Dollar based fees are deducted from your account monthly. Percentage administration fees are accrued daily and paid from the Fund's assets. The percentage administration fee you pay is calculated on your account balance.
Buy-sell spread	0.05%	Applied to the unit price before processing each buy and sell transaction.
Switching fee	Nil <sup>@</sup>	
Advice fees relating to all members investing in a particular MySuper product or investment option	Nil	Additional fees may be payable if a financial adviser is consulted.
Other fees and costs <sup>2</sup>	Refer to Additional Explanation of Fees and Costs in the Additional Information Booklets.	
Indirect cost ratio <sup>1</sup>	0.12%*	Indirect costs are deducted from the Fund's assets, or assets of interposed vehicles, prior to the unit price being calculated.

<sup>1</sup> If your account balance for a product offered by the Fund is less than \$6,000 at the end of the Fund's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% per annum of the account balance. Any amount charged in excess of that cap must be refunded.

<sup>2</sup> The fees shown are current for the 2019-2020 financial year and are subject to change. Further information and definitions of the fees can be found at [australianethical.com.au/super/fees](http://australianethical.com.au/super/fees)

<sup>@</sup> You may incur a buy-sell spread whenever units are bought or sold including by way of switching. However, you won't be charged a switching fee in addition to the buy-sell spread.

\* The indirect cost ratio is as at 30 June 2020 based on the previous 12 months. These may change from year to year.

### Changes to fees and maximum allowable fees

All fees can change. Reasons might include changing economic conditions or changes in regulations. We will always give you at least 30 days notice of any proposed fee increase.

#### Example of annual fees and costs

This table gives an example of how the fees and costs for the Balanced (accumulation) option can affect your superannuation investment over a one year period. You should use this table to compare this superannuation product with other superannuation products.

#### More about fees and costs

Investment fees and buy / sell spreads differ between investment options. Section 6 of the Additional Information Booklets provide further information about fees and costs.

Example: Balanced (accumulation) option: MySuper product		Balance of \$50,000
Investment fees	0.64% of your account balance per annum	For every \$50,000 you have in the superannuation product you will be charged \$320 each year.
PLUS Administration fees	\$97* per annum, plus 0.29% of your account balance per annum	And, you will be charged \$97 in administration fees regardless of your balance, plus for every \$50,000 you have in the superannuation product you will be charged \$145.
PLUS Indirect costs for the superannuation product	0.12%	And, further indirect costs of \$60 each year will be deducted from your investment.
EQUALS Cost of product		If your balance was \$50,000 then for that year you will be charged fees of \$622 for the superannuation product.*

\* Additional fees may apply.

## 7 How super is taxed

**You should read...** the important information about the taxation of superannuation before making a decision. Go to Section 7 of the Additional Information Booklets. The material relating to the taxation of superannuation may change between the time when you read this PDS and the day when you acquire the product.

The following summary tax information is based on the tax laws that were current when this PDS was issued. Refer to the Australian Taxation Office (ATO) website [www.ato.gov.au/super](http://www.ato.gov.au/super) for further details. We will pay the tax that applies to your account directly to the ATO and deduct this tax from your account balance. Taxation of superannuation is complex and subject to regulatory change. We recommend you seek professional advice.

### Tax on contributions

Some contributions into the Fund are taxed. The tax treatment depends on the type and amount of the contribution. There are limits to the amount of before-tax (concessional) and after-tax (non-concessional) contributions that you can contribute to super in a financial year.

**Warning:** There will be taxation consequences if you exceed your super contribution caps.

## 7 How super is taxed continued

Type of contribution <sup>#</sup>	Tax on contributions
<b>Before-tax</b> All employer contributions, including SG contributions, salary sacrifice contributions, and personal contributions claimed as a tax deduction.	15%* on amounts up to \$25,000 p.a.  Amounts over these limits will be taxed at your marginal tax rate plus Medicare Levy.
<b>After-tax</b> Includes personal contributions (not claimed as a tax deduction), spouse contributions and government contributions.	No tax is payable on the first \$100,000 p.a.^ Any amount over this limit will be taxed at the top marginal tax rate plus Medicare Levy.

<sup>#</sup> The tax rates shown above are applicable for the 2020/21 financial year and are subject to change.

\* Additional tax may be payable if your income exceeds \$250,000 (refer to section 7 of the Additional Information Booklet for further information).

^ You may be able to exceed the cap in certain circumstances (refer to section 7 of the Additional Information Booklet for further information).

### Taxation on investment earnings

Investment earnings on assets supporting accumulation and transition to retirement pensions are generally taxed up to 15%, but offsets and reduced capital gains tax amounts may reduce the effective tax rate. Taxes payable on investment earnings are deducted from the Fund's assets prior to calculating unit prices.

Earnings on investments in the pension division other than transition to retirement pensions are not taxed.

### Tax on withdrawals

Withdrawals from your account are generally taxed if you are aged less than 60. Currently, withdrawals are tax-free if you are aged 60 and above.

### Tax File Number

**Warning: You should provide your Tax File Number (TFN) when you become a member of the Fund.**

If you do not provide us with your TFN, you may pay extra tax on your contributions or when you access your benefit. Additionally, we will not be able to accept your member contributions. Quoting your TFN also makes it easier to find different superannuation accounts in your name and ensure that you receive them all when you retire.

You are not obligated to provide your TFN and declining to quote your TFN is not an offence.

## 8 Insurance in your super

**You should read...** the important information about both default and optional insurances before making a decision and to ensure the insurance is appropriate for you. Go to our Insurance Guide available at [australianethical.com.au/super/insurance](http://australianethical.com.au/super/insurance) The material relating to insurances may change between the time when you read this PDS and the day when you acquire the product.

Our Fund has age-based Default Cover and Fixed Cover to cover you for major traumatic events. Insurance arrangements only apply to members in the accumulation division. This insurance cover is not available to pension members. Australian Ethical does not take any commissions or have any profit-sharing arrangements with the Insurer and any tax rebates received for premiums paid are put back into your super account.

### Default cover

You will automatically receive Default Cover which is made up of Death (including terminal illness) and Total and Permanent Disablement (TPD) insurance as a member of Australian Ethical Super when you reach a balance of at least \$6,000 and are 25 years or older (but younger than 65), provided you don't have an 'inactive' account and you have not cancelled cover previously held through Australian Ethical Super. You may be able to start your Default Cover earlier by making a valid election at any time. An account is 'inactive' if you haven't received any eligible contributions or rollovers into your account for a continuous period of 16 months (and you haven't made a valid election). The level of Default Cover depends on your age at the time you become eligible to claim. Premiums will be deducted from your super account on a monthly basis and paid in arrears.

There are some terms and conditions that can impact your Default cover and the amount you are eligible to receive in the event of a claim. Default Cover amounts are not guaranteed and cover is subject to you meeting relevant terms and conditions of the policy, including your most recent employment status and whether you meet the definition of active employment when cover commenced.

For the first 30 days, Default Cover is limited to cover for new events. This limitation is removed after the first 30 days as long as you meet certain conditions which are set out in the Insurance Guide. Default Cover may also be cancelled in certain circumstances (for example, if you leave the Fund or your account becomes 'inactive' and you have not elected to continue to receive insurance cover). You may be eligible to increase your Default cover by applying for the New Member offer or if you experience a Life Event (such as getting married or having a child).

You can choose to opt out of (cancel) the Default Cover or cancel any other insurance you may have applied for at any time, either online using our member portal, contacting us on **1300 134 337** or by notifying us in writing.

Opting out of the Default Cover will take effect on receipt by us of your notification and any outstanding premiums will be deducted from your account. If you cancel within 90 days of first receiving Default Cover, then your cover will cease from the date the cover started and the full premium will be refunded to your account.

**Important:** If you receive Default Cover and do not opt out the cover, a premium based on your level of cover, age, sex at birth and occupation category will be automatically deducted from your account in monthly instalments.

**If you don't advise us of your occupation, you will be given cover for a person in an occupation category of Light Manual.**

### Fixed Cover

The Fund also offers Death, Death and TPD and Income Protection cover on a fixed sum insured basis. Eligibility criteria apply and you will be required to complete an insurance application and personal health statement, which can be obtained by contacting us or by completing the online form on our secure member website.

Cover is subject to acceptance by the insurer. If cover is provided, the applicable premium will be deducted from your super account.

Premiums are based on levels of cover, age, sex at birth, occupation and smoking status. If you don't advise us of your occupation, you will be given an occupation category of Light Manual.

You should note that fixed insurance cover may also be cancelled in certain circumstances (e.g. if you leave the Fund or your account becomes 'inactive' and you have not elected to continue to receive insurance cover).

## 8 Insurance in your super continued

Type of cover	Maximum cover	Cost of cover Deducted from your account in arrears in monthly instalments
Default Cover		
Death & Total Permanent Disablement levels of cover vary with age	Light manual - \$230,000*	Female: \$138.46 per annum Male: \$218.96 per annum
Fixed Cover (subject to insurer approval). Cost of cover varies with level of cover, age, sex at birth, occupation and smoking status		
Death	Unlimited death cover. \$5 million terminal illness cover.	Example: 34 year old female (age next birthday will be 35), Non-smoker, white collar occupation category will cost \$63 per annum for \$300,000 of Death cover.
Death & Total and Permanent Disablement	Unlimited death. \$5 million TPD (amount of cover cannot exceed Death cover). \$5 million terminal illness cover.	Example: 34 year old male (age next birthday will be 35), Non-smoker, white collar occupation category, will cost \$177 per annum for \$300,000 of Death and TPD cover.
Income Protection	The lesser of: 75% of last agreed annual salary or wages (as earned in one calendar month), plus superannuation contributions of 10%; or \$30,000 per month.	Example: 34 year old female (age next birthday will be 35), non-smoker, white collar occupation category, for up to 2 year benefit period with a 30 day waiting period will cost \$60.60 per month for \$10,000 per month cover.

\*Example is based on males and females aged 35 on their next birthday with a 'Light Manual' occupation category. If you want to change your occupation category, please visit our secure member portal or fill out our Insurance Variation Form available on our website. Please see the Insurance Guide for a description of the occupation categories we use to assess your employment circumstances.

## 9 How to open an account

**You should read...** the important information about opening an account, cooling off period and complaints handling before making a decision. Go to Section 8 of the Additional Information Booklets. The material relating to opening an account may change between the time when you read this PDS and the day when you acquire the product.

<b>1</b>	Read and understand this Product Disclosure Statement and the Super Additional Information Booklet, the Pension Additional Information Booklet and the Insurance Guide. All documents are available on our website.
<b>2</b>	Join online with no paperwork at: <a href="http://australianethical.com.au/join-now">australianethical.com.au/join-now</a> OR Complete and send us the Application Form. The Application Form is a separate booklet that is available on request.
<b>3</b>	You and your employer can then start to make payments into your account by BPAY®.

### Cooling off period

You have a 14-day cooling-off period after making your investment to ensure you are comfortable with your decision to invest. You will need to tell us in writing if you change your mind. The cooling off period starts at the earlier of the date you receive confirmation from us of an initial contribution to your account, or five business days after the initial contribution to your account is accepted.

If you exercise your right to cool off, preserved and restricted non-preserved amounts can only be rolled over to another fund – they cannot be paid directly to you. The amount rolled over or repaid will be adjusted to take into account the increase or decrease in the value of the investment from the date it was invested until the date we receive the notification from you, as well as any transaction costs and reasonable administrative fees. The cooling off period does not apply in some situations including switches between investment options and any investment in respect of which you have already exercised rights as a member of the Fund. Any insurance cover will also be cancelled if you decide not to continue with your account.

### Account closure

If your account reaches a \$0 balance and remains this way for 4 months or more, we may automatically close your account (If your pension account reaches a \$0 balance, we will automatically close your account).

If you join the Fund and we haven't received any funds in your account within 4 months of the date of opening the account, we may automatically close your account.

### Enquiries and complaints

We welcome your enquiries and comments. If you are not satisfied with any aspect of our service, please contact our Client Service team on **1300 134 337** or visit [australianethical.com.au/contact-us](http://australianethical.com.au/contact-us) for other options to get in touch with us. If we do not resolve your complaint to your satisfaction, you can complain to the following external dispute resolution body, as applicable, at no charge to you:

- The Australian Financial Complaints Authority (AFCA):  
[www.afca.org.au](http://www.afca.org.au) e [info@afca.org.au](mailto:info@afca.org.au) t 1800 931 678

### Privacy

We respect your privacy. Protecting your personal information is important to us. Please read our Privacy Policy and our Privacy Collection Notice which outline the type of information we collect about you and how we will use that information, and are available on our website: [australianethical.com.au/privacy-policy](http://australianethical.com.au/privacy-policy)

## Contact us

t 1300 134 337 e [members@australianethical.com.au](mailto:members@australianethical.com.au) w [australianethical.com.au](http://australianethical.com.au)  
p Australian Ethical Super, Locked Bag 20013, VIC 3001  
Join online [australianethical.com.au/join-now](http://australianethical.com.au/join-now)

