

Concept One Superannuation Plan

Product Disclosure Statement

1 July 2011

This Product Disclosure Statement (PDS) summarises significant information about investing in Concept One Superannuation Plan (COSP). It includes references to other important information that is taken to form part of this PDS. This important information is indicated throughout this PDS with an **i** and should be considered before making a decision to invest in COSP. You'll find this other important information available on our website at **www.conceptonesuper.com**

The information provided in this PDS is general information only and does not take into account any person's individual objectives, financial situation or needs. You should consider obtaining financial advice tailored to your own personal circumstances, before deciding to invest in COSP.

To request a copy of this PDS or any of the other important information referred to in this PDS call the Administrator, The Australian Superannuation Group (WA) Pty Ltd (TASG) on 1300 720 182.

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RSE Licence No L0002813

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Locked Bag 90 West Perth WA 6872

1: About COSP

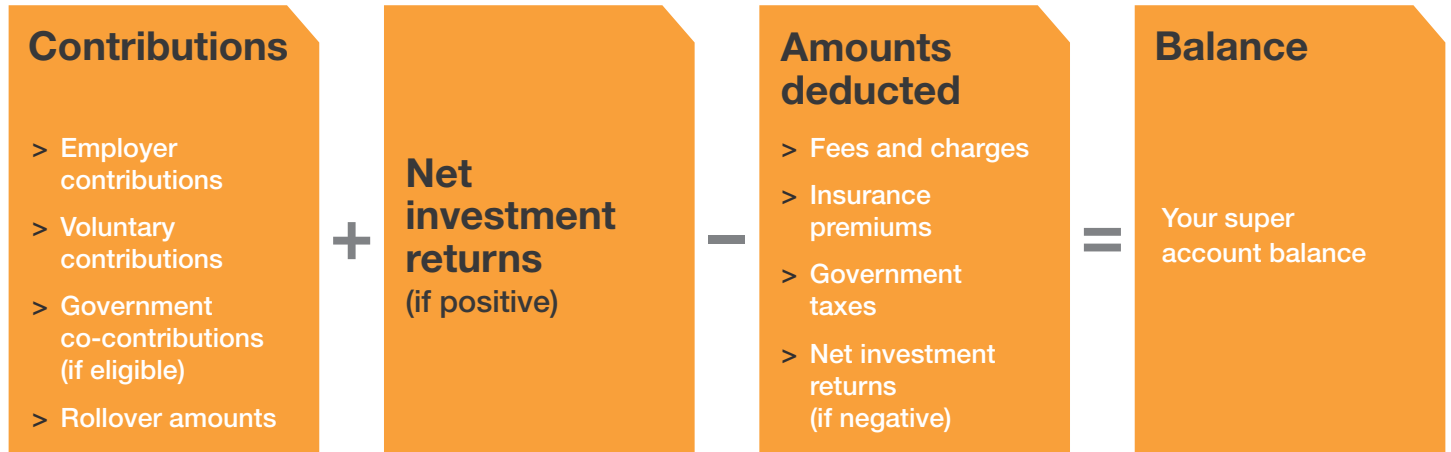
Welcome to the Concept One Superannuation Plan (COSP) and this Product Disclosure Statement (PDS). We are a multi-employer super fund which means anyone can join, as long as their employer is (or becomes) registered with the Plan.

Established in 1986, COSP operates on a not-for-profit basis. We have more than 18,000 members and over \$168 million in funds under management.

2: How super works

Superannuation is money you save and invest for your retirement. Superannuation is partly compulsory.

The building blocks of super are:



Contributing to Super

Employer contributions

In most cases Superannuation Guarantee law requires your employer to contribute 9% of your ordinary time earnings to superannuation. This is compulsory. If you join COSP these contributions are credited to your account.

Contributions made by you

You can choose to contribute to your account yourself, on top of any contributions made by your employer. This is voluntary, not compulsory. Making voluntary contributions yourself is an effective way of boosting your super.

Voluntary contributions can be made from your after-tax pay or from your pay before tax is deducted by your employer (this is called salary sacrifice). Salary sacrifice contributions can reduce the amount of personal income tax you pay.

There are limits on how much you can contribute to super. Before-tax contributions: if you are under 50 the limit on total before-tax contributions (made by your employer and by salary sacrifice) is \$25,000 each year and if you are 50 or over the limit is \$50,000 each year until 1 July 2012. After-tax contributions: if you are under 65 the limit on after-tax contributions is \$150,000 each year or \$450,000 over three years.

Government co-contribution

The government will match each \$1 an eligible person contributes from after-tax pay with a co-contribution of up to \$1, up to a maximum amount of \$1,000 p.a. To be eligible for the full co-contribution you need to earn \$31,920* p.a. or less. But you can still get some of the co-contribution from the government if you earn up to \$61,920* p.a. For full details of the current eligibility conditions call the Australian Taxation Office on **13 10 20** or visit www.ato.gov.au/super

* Applies for the 2010/11 tax year. The Government announced in the 2011/12 Federal Budget that these income thresholds are to apply until 30 June 2013.

Rollovers

If you have super in other funds, you can rollover and consolidate them together in your COSP account. That way you'll have all your super together and may pay less in fees. We can help you with this. Before closing your other super account, you should consider whether any exit fees or taxes apply and whether you may lose other valuable benefits such as extra employer contributions or insurance.

You should read the other important information about contributing to super and the rules on withdrawing money from super before making a decision. Go to the "How super works" section of the Australian Securities and Investments Commission (ASIC) website www.moneysmart.gov.au

Where you put your super is almost always your choice

Most people have the right to choose the fund their employer pays their superannuation guarantee contributions into. To find out if you are eligible for **Choice of Fund**, speak to your employer or contact us. For more information visit www.ato.gov.au/super

Super is there for your retirement and attracts generous tax savings

Because the government wants to encourage everyone to save for retirement, it provides tax savings for money invested in super. Since the purpose of super is to help you build up retirement savings, you generally cannot withdraw your money from super until you retire permanently from the workforce after you have reached your preservation age. Your preservation age depends on when you were born. If you were born before 1 July 1960, your preservation age is 55. Once you are 60 and retired, your money can be taken out of super tax-free as a pension or lump sum. For more about taxation see page 6.

3: Benefits of investing with COSP

Most working Australians rely on their super savings in retirement. Other than the government age pension, it's likely to be your main source of income when you stop work. So you want to make sure your super is in the right hands.

COSP gives you a simple, flexible and low-cost plan for your super.

The benefits of becoming a member in COSP include:

- ✓ No entry fee.
- ✓ Flexible contribution options.
- ✓ Free consolidation service if you roll in your super.
- ✓ A choice of three diversified investment options.
- ✓ Income Protection insurance and one unit of either Death or Death and Total and Permanent Disablement cover (depending on your employment status as advised by your employer) are provided automatically to members on joining, without the need to provide medical evidence (conditions apply).
- ✓ Optional additional insurance cover is available with low-cost premiums based on group insurance rates. *For more about insurance see page 7.*
- ✓ The benefit paid by COSP on your death is the sum of the amount paid by the insurer and the balance of your member account.
- ✓ A range of member communications options including regular updates on the progress of your superannuation, online member access and phone assistance via the Administrator, The Australian Superannuation Group (WA) Pty Ltd.

4: Risks of super

All investments carry risk. There are a number of risks associated with investing in super that you should consider.

- > The value of the investment option you choose may rise or fall. The plan's investment performance is not guaranteed, which means a person may lose some of their money.
- > The level of return for each of the plan's investment options will vary, and future returns may differ from past returns.
- > Different strategies carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. *See page 4 for more about COSP's investment options, how the option is invested and the associated level of risk for that option.*
- > Laws affecting super (such as superannuation laws, taxation and social security) may change at any time.
- > The amount of a person's future superannuation savings (including contributions and returns) may not be enough to provide adequately for the person's retirement.

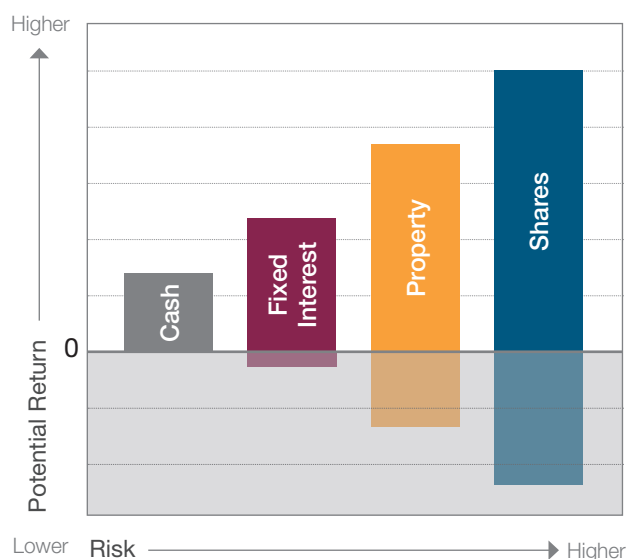
It is important to know the facts about risk and return before investing your super.

The level of risk suitable for each person will vary depending on a range of factors including your age, investment time frame, what other investments you have and your own personal risk tolerance. While you may have the time to ride out ups and downs in your return, you may not be comfortable with a higher risk option.



You should read the other important information about risks of superannuation before making a decision. Go to www.conceptonesuper.com This material may change between the time you read this PDS and when you sign the application form.

The link between risk and return



Generally, investment in high risk assets will produce higher returns over the long term, with a greater chance of a negative return over the short term.

Each of the four main asset classes – shares, property, fixed interest and cash – has different levels of risk and different potential for returns.

5: How we invest your money

COSP offers a choice of three investment options: Cash Enhanced, Trustee Balanced and Growth. You can choose to invest in one option or in any combination of options. If you do not make a choice your money will be invested in the Trustee Balanced (default) option.

When making your investment choice you must consider the likely investment return, the level of risk and your own personal investment timeframe.

Trustee Balanced (default) option

Investor profile

This investment option is likely to suit members seeking medium term growth of their superannuation with moderate risk.

Investment objective

Primary: to achieve annual investment returns that on average exceed the Consumer Price Index (CPI) plus 3%, after tax and fees, over a rolling five year period.

Secondary: to achieve investment returns exceeding the average performance of superannuation funds with a similar proportion of growth assets over a rolling five year period.

Investment strategy

Maintain asset allocation within the ranges nominated at right and appoint investment managers in accordance with asset allocation guidelines.

Minimum investment timeframe

Medium term: if you choose this investment option, be prepared to stay invested in it for more than 4 years before it meets its objectives.

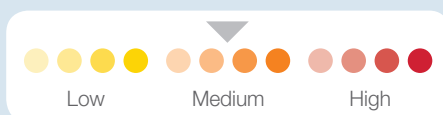
Expected frequency of negative annual return

Approximately one year in every six.

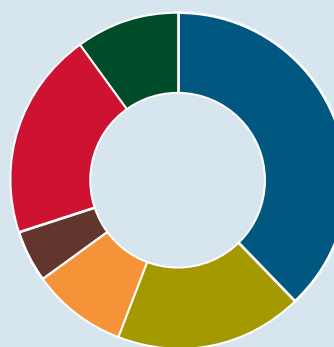
Risk classification

Moderate risk.

Returns can fluctuate from year to year, either moderately or considerably.



Strategic asset allocation



- **38%** (20-50%): Australian Shares
- **18%** (5-30%): International Shares
- **9%** (0-20%): Property
- **5%** (0-8%): Alternatives*
- **20%** (0-40%): Fixed Interest
- **10%** (0-30%): Cash

* Can include fund of fund hedge funds, infrastructure and private equity.

COSP reserves the right to change its default investment option or any of its other investment options, including the types of investments and investment allocations within an option. Members of the Plan will be notified of any such changes.

You should read the other important information about COSP's other investment options before making a decision.

Go to www.conceptonesuper.com This material may change between the time you read this PDS and when you sign the application form.

How to make or change your investment choice

When joining COSP, complete the "Investment Options" section of the *Member Application Form* to indicate your investment choice.

You can choose to switch investment options at any time at no cost. The change is effective from the close of business on the date your nomination is received by the Administrator.

You can:

- > choose to invest your total super account balance in one or more options, or
- > choose separate investment options for your current account balance and your future contributions.

For security reasons, COSP must have your switch instructions in writing along with your original signature. Switch instructions are not acceptable by fax, photocopy or email.

If you need help with making your investment choice we recommend you seek independent financial advice.

Socially responsible investing (SRI)

When making investment decisions, the Trustee does not take into account social, ethical or environmental considerations or labour standards. Individual investment managers may take into account social, ethical or environmental considerations or labour standards.

6: Fees and costs



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 plan 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 Plan 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 has a superannuation fee calculator to help you compare different fee options.

* The wording in this section is prescribed by law and mentions that members may be able to negotiate lower fees and costs. This statement refers mainly to "retail" funds and not funds like COSP. The Trustee negotiates with service providers to ensure fees to members are kept as low as possible. There are no fees payable on contributions received or fees paid to personal financial advisers. Fees are applied equitably to all members and management costs charged to individuals are not negotiable.

This document shows the fees and other costs that you may be charged and can be used to compare costs between different superannuation providers. These fees and costs may be deducted from your account or from the returns on your investment.

Type of fee or cost	Amount
Fees when your money moves in or out of the fund	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil if balance is below \$1,000 \$60 if balance is \$1,000 or more
Termination fee	Nil
Management costs The fees and costs for managing your investment	
Administration fee	\$1.50 per week (\$78.00 p.a.)
Investment management fees	Investment management charge depends on your chosen investment option. For 2010/11 this is estimated to be: > Trustee Balanced (default) option 1.16% p.a.
Switching fee	Nil

Fee increases or changes

The Trustee reserves the right to change the fees charged at any time. Should fees increase, we will ensure you are notified in writing at least 30 days before any increase takes effect.

Fees payable to a financial adviser

Additional fees may be payable if a financial adviser is consulted.

Example of annual fees and costs for the Trustee Balanced (default) investment option

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

Trustee Balanced (default) investment option		Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0.00
Plus management costs	1.16% + \$78.00 (\$1.50 per week)	For every \$50,000 you have in the Plan, you will be charged \$580 each year, plus \$78.00 in administration fees.
Equals costs of Fund		If you put in \$5,000 during the year and your balance was \$50,000, for that year you will be charged fees of \$658.* What it costs you depends on the investment option(s) you choose and the fees you negotiate with your plan or financial adviser.**

* Additional fees may apply.

** This example is prescribed by law for every Product Disclosure Statement. COSP charges the same fees to all members. Our fees are not negotiable.



You should read the other important information about service fees and the fees and costs of all of COSP's investment options before making a decision. Go to www.conceptonesuper.com This material may change between the time you read this PDS and when you sign the application form.

7: How super is taxed

Superannuation is taxed:

- ✓ when **contributions** are made
- ✓ on **investment earnings**
- ✓ if you **take a benefit** before retirement at 60.

We deduct the tax payable and remit it to the Australian Taxation Office.

Superannuation benefit payments are **tax free** once you reach age 60 and have retired.

Tax on contributions

	Employer contributions	Salary sacrifice contributions	Personal after-tax contributions	Co-contributions
Tax payable	Yes, at 15% (if we have your Tax File Number)	Yes, at 15% (if we have your Tax File Number)	No	No



Tax on contributions is deducted at the end of every month or on withdrawal if earlier. If you leave COSP part way through the year, tax is deducted on exit. **If you exceed the contribution limits described on page 2 you pay extra tax.**

Tax on investment earnings

Up to a maximum of 15% tax is payable on the investment return your account earns. This tax is deducted before investment returns are declared, so crediting rates are shown after tax.

Tax on benefits – a general guide

Tax on benefits is a complex topic. We recommend you discuss your own personal situation with a licensed financial adviser, as the decisions you make about how and when to take your benefit can affect the tax payable and your age pension entitlements. For up-to-date tax information, visit www.ato.gov.au/super or call the Australian Taxation Office on **13 10 20**.



You should read the other important information about the taxation of super before making a decision. Go to www.conceptonesuper.com This material may change between the time you read this PDS and when you sign the application form.

Tax on retirement benefits and withdrawal benefits

- > If you are 60 or over, you will pay no tax on your benefit.
- > If you are between 55 and 60, your benefit will be made up of a tax free and a taxable component. The taxable component will be paid tax-free up to a lifetime limit of \$165,000 (for the 2011/12 year), with any amount above that limit taxed at 16.5% including the Medicare Levy.
- > If you are under 55, the entire taxable component of your benefit will be taxed at 21.5%, including the Medicare levy.
- > If you are terminally ill your benefit will be tax free.

Note: The Government has introduced a Temporary Flood and Cyclone Reconstruction Levy (flood levy) applying to income for the 2011/12 year only. The levy will apply to that part of the taxable component above \$50,000.

Rollovers into or out of a superannuation fund

Generally, no tax is payable.

Death benefit

Lump sum death benefits paid to dependants (as defined for tax purposes) are tax free. If paid to a non-dependant, part of the benefit will be taxed.

Total and permanent disablement benefit

Total and permanent disablement benefits are taxed at different rates, depending on your age when you were disabled.



Don't pay more tax than you have to. Provide your Tax File Number!

Providing your TFN to COSP is not compulsory. However, **if you do not provide your TFN, employer and salary sacrifice contributions will be taxed at your top marginal tax rate.** Personal contributions cannot be accepted at all without a TFN.

8: Insurance in your super

Like many Australians, you probably have your home and car insured. But what about your most important asset – you? Insurance cover gives you peace of mind that if the worst happens, you and your family are protected.

Insurance with COSP is:

- ✓ **Easy:** premiums are deducted from your COSP account.
- ✓ **Flexible:** you can increase your cover easily to suit your needs and situation (subject to meeting the insurer's health evidence requirements).
- ✓ **Affordable:** insurance cover is taken out at group rates.

Insurance is provided under group insurance policies taken out by the Trustee with TAL Life Limited (formerly TOWER Australia Limited) ABN 70 050 109 450 AFSL 237848.

COSP provides members with insurance cover for:

• Death & Total and Permanent Disablement (TPD)

- > Provides a lump sum benefit if you die or if you become totally and permanently disabled. Cover is available for:
 - >> Death or terminal illness: up to age 70
 - >> TPD: up to age 65

You can advise the Trustee of the person you would like to receive your death benefit if you die. While the Trustee will take your wishes into account, the Trustee has discretion when paying death benefits.

The table at right shows the default Death & TPD cover provided automatically to members working at least 15 hours per week on joining, for a cost of \$1.50 per week. If you are working less than 15 hours per week you can have **Death cover only** at a cost of \$0.90 per week.

COSP also offers an **easy upgrade to 3 units of Death cover and 2 units of TPD cover** without the need to provide health evidence if you apply within 60 days from the date your welcome letter was issued to you. Or you can go even higher and apply for unlimited cover for Death and \$3 million for TPD, subject to application and acceptance.

• Income protection cover

Income Protection (IP) cover provides a monthly benefit if you are off work due to injury or illness. The insured benefit will be 75% of your pre-disability salary or your insured amount if less (assessed at the time of claim). It is payable for up to two years after you have been off work due to illness or injury for 60 days, subject to the terms of the insurance policy. Cover is available to age 65.

On joining the Plan, you will automatically receive the default IP cover (if you are working at least 15 hours per week). The benefit and premium amount will be dependent on your age and the sector you are employed, either Education or Non-education. If you are in the Education sector you will automatically receive three units of default cover (\$3,000 per month) and if in the Non-education sector, two units of default cover (\$2,000 per month). You can apply for additional units of cover.

How do I apply for additional cover?

Complete the "Insurance Details" section of the *Membership Application Form* to apply for additional cover. The form can be downloaded from www.conceptonesuper.com

Additional cover is not automatic – your application will be assessed by the insurer who may require additional medical or other information. Cover does not commence until the date your application is approved by the insurer. We will notify you of the insurer's decision.

COSP Death and TPD cover (per unit)

Age next birthday	Death & TPD	Death Only
Up to 35	\$111,600	\$131,600
36 to 40	\$78,100	\$92,100
41 to 45	\$49,100	\$57,900
46 to 50	\$29,700	\$35,100
51 to 55	\$14,900	\$17,500
56 to 60	\$8,200	\$9,600
61 to 65	\$3,700	\$4,400
66 to 70	\$3,000*	\$3,000

* TPD cover is not available to members after age 65.

If you want to have Death cover only or you **do not** wish to have any insurance cover with COSP, please notify the fund in writing. **If you do not change or cancel your default cover, the Trustee will continue to deduct the premiums for your default insurance cover from your account.**

Weekly cost of default IP cover

Age next birthday	IP – Education	IP – Non-education
	3 units = \$3,000 per month	2 units = \$2,000 per month
Up to 35	\$1.50	\$2.30
36 to 40	\$2.10	\$3.50
41 to 45	\$2.85	\$4.00
46 to 50	\$4.35	\$6.00
51 to 55	\$4.95	\$7.20
56 to 60	\$8.25	\$11.00
61 to 65	\$9.30	\$12.00

The cost of cover is deducted from your COSP account on the last Friday of the month.



Eligibility conditions and exclusions

The insurance cover provided under COSP is subject to eligibility conditions and exclusions. These may affect your eligibility to insurance cover or the circumstances when an insurance benefit may be payable under the policy. Refer to the other important information available at www.conceptonesuper.com for details of when cover starts and stops.



You should read the other important information about COSP's insurance cover before deciding if it is appropriate for you. Go to www.conceptonesuper.com This material may change between the time you read this PDS and when you sign the application form.

9: How to open an account



How to join COSP

- 1 Read this PDS and the important information at www.conceptonesuper.com**

This has details on how COSP operates and its benefits and features. If you need advice tailored to your own personal situation we recommend you speak to a licensed financial planner or adviser.
- 2 Fill out the Membership Application Form**

You'll find the *Membership Application Form* on our website. It includes a section for you to make your investment and insurance cover choices.
- 3 Return your completed Form to the Trustee or to your employer**

On joining COSP you will receive a welcome letter along with your membership card.

Respecting your privacy

Protecting your personal information is important to the Trustee and it is also a legal requirement. Our Privacy Statement outlines the type of information we will keep about you. It explains how we, and any organisation we appoint to provide services to you on our behalf, will use this information.

For more information about our Privacy Statement and the way we handle your personal information please contact COSP at:

The Trustee
C/- Plan Secretary
Concept One Superannuation Plan
PO Box 739
Belmont WA 6984

Complaints

The Trustee has established a procedure to deal fairly with member complaints. All complaints will be handled in a courteous and confidential manner and will be properly considered. Every attempt will be made to deal with your complaint within 90 days. If you have a complaint please write to:

The Complaints Officer
Concept One Superannuation Plan
Locked Bag 90
West Perth WA 6872

If you are not happy with the decision, you can take the matter further by contacting the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Federal Government to assist in the resolution of complaints.

The SCT will only deal with your complaint if you have already been through the Plan's internal complaints process first.

Time limits may apply, depending on the type of complaint you have. If you do not lodge your complaint within prescribed time limits, the SCT will not have the power to hear the complaint. Please contact the SCT for further information about time limits:

Superannuation Complaints Tribunal
Locked Bag 3060
GPO
Melbourne VIC 3001





T: 1300 780 808
www.sct.gov.au

The Australian Securities and Investment Commission (ASIC) also has an infoline on **1300 300 630** which you may use to make a complaint and obtain information about your rights.



Contacting us is easy

If you have any queries about COSP please contact the Administrator:

-  **Call:** (08) 9211 6677 or 1300 720 182
-  **Email:** conceptone@tasgwa.com
-  **Write to:** Locked Bag 90 West Perth WA 6872
-  **Website:** www.conceptonesuper.com

Keep in touch

It's important that you tell us if you change address so that you continue to get all the information issued by COSP. You can do this online at www.conceptonesuper.com or you can contact us using any of the ways set out above.