

Harwood Superannuation Fund Allocated Pension Division

Harwood Nominees Pty Limited

Australian Company Number (ACN) 001 216 208

AFSL Number 240614

RSE Licence Number L0000987

as trustee for the Harwood Superannuation Fund R1001730

Disclaimer

The Trustee has taken care to ensure the information contained in this document is correct at the date of preparation, 28 November 2007. Changes to government legislation or the trust deed and rules of the fund may affect its accuracy. The Trustee reserves the right to change the allocated pension products, as described in this Product Disclosure Statement (PDS) (including any website updates and/or Supplementary PDSs), in the future, subject to government legislation and the trust deed of the fund. The Trustee will notify you of changes of this kind in accordance with government legislation.

Any change to information that is not materially adverse may be updated on our websites www.csrsuper.com.au or www.rinkersuper.com.au. A copy of any updated information may be obtained by calling the Fund's Inquiry Line on (02) 9235 8533 and asking for this information to be mailed to you free of charge.

In the event of a change occurring that causes this PDS to become defective, the Trustee will either withdraw this PDS from circulation or amend it with a Supplementary PDS.

Neither the Trustee, nor any of the Trustee's service providers, nor any of the employer sponsors guarantee the repayment of capital or any particular rate of return in respect of the benefits referred to in this PDS. For further information on the Harwood Superannuation Fund please call the fund's Inquiry Line (02) 9235 8533 or visit www.csrsuper.com.au or www.rinkersuper.com.au.

This document can only be used by investors receiving it (electronically or otherwise) in Australia.

Contact details of the issuer (Harwood Nominees Pty Limited)

Web www.csrsuper.com.au OR www.rinkersuper.com.au

Tel (02) 9235 8533

Fax (02) 9235 8577

Email info@csrsuper.com.au or info@rinkersuper.com.au

Mail The Inquiries & Complaints Officer
Harwood Superannuation Fund
PO Box 744
Chatswood NSW 2057

About this Product Disclosure Statement (PDS)

This PDS has been prepared by Harwood Nominees Pty Limited, the Trustee for the Harwood Superannuation Fund, and covers the main features, costs, benefits and risks of investing in the allocated pension division of the Harwood Superannuation Fund.

Harwood Nominees Pty Limited's Australian Financial Services Licence Number: 240614

Whilst all care has been taken to ensure the information contained within this PDS is correct at the date of preparation, the terms of the Trust Deed governing the Harwood Superannuation Fund have precedence over anything in this PDS.

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Harwood Superannuation Fund Allocated Pension Division

Managing Harwood Superannuation Fund

The Trustee of the Harwood Superannuation Fund (ABN 46 182 687 345) is Harwood Nominees Pty Limited (ACN 001 216 208). The Trustee board is governed by the Trustee's constitution and has the following composition:

Five Employer Nominee Directors

- CSR Limited – 3 Directors (one of whom must be a Member, Deferred Member, Pensioner or Spouse Pensioner of Division One); and
- Rinker Group Limited – 2 Directors.

Five Member Nominee Directors

- CSR – 3 Directors
One must be a Member of CSR Super Division One, CSR Super Division Two or MonierPGH Super,
One must be a Member of CSR Super Division Three from the Sugar Group (Sugar Mills and Sugar Australia), and
One must be a Member of CSR Super Division Three from the General Group (which is the balance of the CSR Super Division Three membership).
- Rinker – 2 Directors
One must be a Member of Rinker Super Division One or Rinker Super Division Two, and
One must be a Member of Rinker Super Division Three.

Nominations for Member Nominee (member elected) directors are drawn from the membership and member elected directors are usually appointed for four-year terms.

A Trust Deed governs the operation of the Harwood Superannuation Fund.

The Fund's Trust Deed and Rules and a copy of the procedures for the appointment and removal of member elected directors can be obtained by visiting www.csrsuper.com.au or www.rinkersuper.com.au, under the "Trustee" menu item, or by calling the Inquiry Line and asking for the information to be sent to you.

Structure of Harwood Superannuation Fund

- Division ONE – A defined benefit division that is closed to new members.
- Division TWO – A hybrid accumulation/defined benefit division that only provides accumulation benefits to new members.
- Division THREE – An accumulation division.
- Division FOUR – An allocated pension division (including transition to retirement allocated pensions).
- Division FIVE – provides both defined benefits and accumulation benefits to former Monier PGH Superannuation Fund members. This division is closed to new members.

Divisions One, Two and Three are divided into two Plans, the CSR Plan (CSR Super) and the RGL Plan (Rinker Super).

The allocated pension division (Division Four) is not part of either Plan and is therefore available to members of both the CSR Plan (CSR Super) and the RGL Plan (Rinker Super) of the Harwood Superannuation Fund. It is also available to members of MonierPGH Super.

MonierPGH Super (Division Five) is not part of either Plan.

Getting advice

The advice in this PDS is of a general nature only. Therefore, this PDS has been prepared without taking into account your particular financial needs, circumstances and objectives. We recommend you assess your own financial situation before making any investment decision based on the information contained in this PDS.

To help you with your decision making you may wish to seek the help of a financial services licensee who is licensed to provide personal financial product advice.

Authorised representatives of Harwood Nominees Pty Limited (the Trustee of the fund) are only authorised to provide general financial product advice. Therefore, they cannot give you any personal financial product advice (please refer to Harwood Nominees Pty Limited's Financial Services Guide which is enclosed. It can also be obtained from the Fund's website or by calling the Fund).

Some important information about “Better Super”

From 1 July 2007:

- all superannuation benefits **received at age 60 or older are tax free** whether received as a pension or a lump sum
- pension recipients aged between preservation age (see page 27 for information on preservation age) and 60 are entitled to a 15% tax rebate
- superannuation benefits received after reaching your preservation age but before age 60 continue to be taxed. However the taxation has been simplified
- the taxed component of a lump sum benefit paid from a superannuation fund for persons aged between preservation age and 60 will be tax free up to the low rate cap (\$140,000 for 2007/2008)
- superannuation benefits can be retained in the superannuation system indefinitely, regardless of your age or whether you have ceased work, until death
- new simplified standards apply to pensions. Account based pensions (such as allocated pensions) have fixed minimum annual payments based on a percentage of the remaining account balance. Unless your pension is a transition to retirement allocated pension, no maximum payments or commutation restrictions apply
- lump sum superannuation death benefits are tax free if paid to a “dependant” as defined for the purposes of concessional tax treatment (see page 22 for information on tax on death benefits, including income stream superannuation death benefits)
- reasonable benefit limits have been abolished
- the pension assets taper rate for social security purposes has been reduced from \$3 to \$1.50 per fortnight for every \$1,000 of assets above the relevant threshold with effect from 20 September 2007. Refer to page 8 for further information on “Allocated Pensions and social security”
- Other changes – there have also been a number of other significant changes to superannuation which affect contributions to superannuation funds.

Further information concerning the government changes is available from <http://www.ato.gov.au/bettersuper>, or by contacting the Tax Office Superannuation Hotline on 13 10 20 between 9.00a.m and 6.00p.m, Monday to Friday.

What this PDS covers

This PDS describes two pension products:

- a “standard” allocated pension; and
- a “transition to retirement” allocated pension.

As explained more fully later in this PDS, a transition to retirement allocated pension is essentially a standard allocated pension but with additional restrictions.

Generally, references in this PDS to “pension” and “allocated pension” (and corresponding terms eg “pensioner”) cover both the standard and transition to retirement products. However, the products are specifically distinguished at particular points throughout this PDS.

About Allocated Pensions

Important: This section of the PDS applies to both standard allocated pensions and transition to retirement allocated pensions.

You can convert some or all of your superannuation monies into an allocated pension to provide an income stream. An allocated pension is an account based income stream paid from a superannuation fund. The allocated pension account increases (or decreases) with investment earnings and decreases with allocated pension payments, any lump sum withdrawals and any fees and other costs.

The allocated pension will continue to be paid while there is money left in your allocated pension account. In certain circumstances, an allocated pension can continue to be paid to a surviving spouse (refer to page 22 “Death benefits” for further information). The amounts of the allocated pension payments are subject to minimum limits (set by the Commonwealth Government) calculated annually (refer to page 7).

Transition to Retirement allocated pension

A transition to retirement allocated pension is an allocated pension that shares some features with a standard allocated pension but has a maximum payment limit, restrictions on lump sum withdrawals, and is designed to be used to access superannuation benefits before retirement.

Accordingly, if you are considering an allocated pension because you have reached preservation age, are still working and wish to access your superannuation benefits as part of a “transition to retirement” strategy, there are additional rules and considerations that will apply to your pension. Please see “About Transition to Retirement Allocated Pensions” on page 5 for details. Those matters aside, the information about the features, disadvantages and duration of standard allocated pensions set out in this section of the PDS applies equally to transition to retirement allocated pensions, except as specifically indicated.

What are the features of the Harwood Superannuation Fund allocated pension?

- No entry fees and no exit fees,
- No switching fees,
- No commissions paid to agents,
- Four investment choices are offered (refer to pages 13 - 18 for further information),
- Flexibility with respect to the amount of annual allocated pension you can take (subject to minimum legislated requirements and, if your pension is a transition to retirement allocated pension, a maximum requirement),
- Your allocated pension payment will be electronically transferred into your bank account each month,
- Lump sum withdrawals can be made at any time (minimum \$5,000), although restrictions apply if your pension is a transition to retirement allocated pension,
- You can transfer the balance of your allocated pension to another complying superannuation fund at any time.

Are there any disadvantages?

There are a number of significant risks associated with investments in the Allocated Pension Division of this Fund (as with any superannuation fund). These include:

- **Longevity risk:** You do not know how long your money will last. As the allocated pension ceases when your account balance reaches zero, you may outlive the duration of your allocated pension.
- **Investment risk:** You bear the investment risk (refer to pages 19 - 20 for further information). Further, risks associated with various investments vary and may change. Different asset classes perform differently at different times. For example, things such as a company’s internal processes, management and operation may influence the value of shares in individual companies. The Trustee and the Fund’s implemented consultant seek to minimise these risks by assessing and analysing information relating to the Fund’s investments from a number of sources and by diversifying investments across a range of asset classes and investment managers.
- **Market risk:** Various economic, technological, political, legal and social factors have an effect on the value of investment markets and may affect the value of your allocated pension in the Harwood Superannuation Fund. The Trustee and the Fund’s implemented consultant seek to reduce and manage this market risk through specific investment options adopted for each investment option offered by the Fund.
- **Superannuation fund risk:** Risks specific to the Harwood Superannuation Fund, as with any other superannuation fund, include the possibility of changes to the Fund or its internal operations. The Trustee seeks to minimise this risk by taking into

account the interests of members at all times when making decisions about the Fund and by having processes, procedures or systems that seek to appropriately manage the operation of the Fund.

- **Risk of changes in the legal environment:** Superannuation laws, the Corporations Act, Australian taxation laws and other laws affect the Harwood Superannuation Fund and the fund's investments. Changes in superannuation laws may affect your ability to access your benefit in the Fund. Changes in taxation laws may also affect the value of your benefit.
- **Outsourcing risk:** Is the risk that one of the Fund's material outsource providers fail to meet their contractual obligations. However, prior to appointment and thereafter, the Trustee undertakes due diligence and monitoring of its material outsource providers in accordance with its Risk Management Strategy and Risk Management Plan.

How long does an allocated pension last?

Your Harwood Superannuation Fund allocated pension will be paid until your allocated pension account balance reaches zero (unless the Fund, or the allocated pension division, is wound up before then in which case you would be asked to transfer to another complying fund or, unless your pension is a transition to retirement allocated pension, take a full commutation). Each monthly allocated pension payment you receive and any lump sum withdrawals you make will reduce the balance of your allocated pension account. How long your allocated pension will last depends on the following:

- The amount you transfer to start your allocated pension account,
- The earnings on your allocated pension account,
- The level of allocated pension payments you choose (subject to the minimum allocated pension payable to you each year and, if your pension is a transition to retirement allocated pension, the maximum),
- Any lump sum withdrawals (commutations) you make (withdrawal restrictions apply if your pension is a transition to retirement allocated pension), and
- Any fees, costs and taxes (if any) deducted.

You will receive a letter showing your allocated pension account balance quarterly and you can contact the fund at any time and ask for an estimate of your account balance.

About Transition to Retirement Allocated Pensions

A transition to retirement allocated pension is designed for people who have reached preservation age (see page 27), are still working and wish to access their superannuation benefits as part of a “transition to retirement” strategy. Superannuation, taxation and social security laws relating to transition to retirement allocated pensions are complex. We recommend that you obtain advice from a financial adviser before deciding to take out a transition to retirement allocated pension.

Transition to retirement allocated pensions will be available from the Harwood Superannuation Fund from 1 January 2008.

What are the specific additional features of a transition to retirement allocated pension?

- **Maintain your income by accessing your superannuation while reducing your work hours:** The transition to retirement rules mean that you can continue to work (even if only part-time) but at the same time draw down some of your superannuation benefit to supplement your income.
- **Gain access to a part of your superannuation benefits before you retire:** Under the transition to retirement rules, provided you have reached your preservation age you can access a percentage of your allocated pension account balance each year even though the benefits are classified as preserved or restricted non-preserved.
- **Payment amounts are flexible:** The amounts paid from your transition to retirement allocated pension account are flexible, subject to minimum and maximum legislated requirements. The minimum annual drawdown requirements are based on your age (see the table on page 7). **There is an annual drawdown limit of 10% of the balance of your allocated pension account.**

Are there any specific disadvantages?

There are additional requirements that are specific to transition to retirement allocated pensions. These include:

- **Limitations on making lump sum withdrawals:** Once your pension has commenced, you can elect to make lump sum withdrawals of unrestricted non-preserved benefits (which are within the annual drawdown limit). Lump sum withdrawals can also be made in the following circumstances:
 - to pay an excess contributions tax or surcharge liability; or
 - to give effect to a payment split under the Family Law Act.

You must retain a sufficient amount in your account to meet the minimum payment requirements.

- **Annual drawdown limit:** There is an annual drawdown limit of 10% of the balance of your allocated pension account.

In addition to the above specific disadvantages, the general disadvantages applying to standard allocated pensions (refer page 3) also apply to a transition to retirement allocated pension. Likewise, the factors governing how long your transition to retirement allocated pension will last are as for standard allocated pensions (refer page 4).

When will my benefit be available for lump sum withdrawal?

The limitations on making lump sum withdrawals described above will cease to apply in any of the following circumstances (ie satisfaction of a condition of release for which there is no cashing restriction):

- **You reach 65 years of age**, irrespective of whether you are still employed;
- **You leave your current job after you turn 60**, irrespective of whether you go on to find other employment;
- **You retire permanently**, meaning that you leave your job and you intend never again to work for 10 hours or more per week;
- **You become totally and permanently disabled**, in which case you need to apply to the Trustee with supporting evidence;
- **You suffer severe financial hardship**, meaning in this context that you have been receiving certain Commonwealth income support payments for at least 39 weeks (not necessarily continuously) after you have reached your preservation age, and you are not working for 10 hours or more per week.

However, the annual drawdown limit of 10% will continue to apply. A transition to retirement allocated pensioner wishing to withdraw more than the 10% annual maximum could, after satisfying an unrestricted condition of release, consider commuting their pension. A transition to retirement allocated pensioner who commutes and contemplates using the commutation proceeds to start a standard allocated pension should first consider obtaining their own legal and/or financial advice.

Eligibility for a Harwood Superannuation Fund Allocated Pension

- Start your allocated pension with as little as \$50,000.
- To apply simply complete the Allocated Pension application form enclosed with this Product Disclosure Statement.
- You cannot make further contributions to your allocated pension account balance once it has commenced.
- You may have more than one allocated pension account at the same time.

To be eligible for a standard allocated pension you must have an unrestricted non-preserved benefit of at least \$50,000 in any one or more of Divisions One, Two, Three or Five of the Harwood Superannuation Fund.

An unrestricted non-preserved benefit is simply a benefit that you can take in cash as no preservation restrictions apply. For information on preservation see page 27.

If your spouse would like an allocated pension from the Fund he/she would need to apply to be a "Spouse Member" before you cease employment with a participating employer of the Harwood Superannuation Fund.

To be eligible for a transition to retirement allocated pension, your benefit need not be unrestricted non-preserved. However, you must have reached preservation age (see page 27).

Transition to retirement allocated pensions will be available from the Harwood Superannuation Fund from 1 January 2008.

Can a spouse apply a lump sum death benefit to a Harwood Superannuation Fund allocated pension?

If the spouse of an allocated pensioner or of a member of any division of the Fund becomes entitled to receive a lump sum death benefit from the Fund, he/she may request to take all or part of that death benefit as an allocated pension rather than as a lump sum. The death benefit pension would normally be a standard allocated pension even if the benefit resulted from the death of a transition to retirement allocated pensioner.

How do I apply?

Please complete the enclosed Allocated Pension application form. If you are aged less than 60 please also complete and return the ATO Tax File Number Declaration.

Can I increase my allocated pension investment?

Once your allocated pension has commenced you are not able to make further contributions or roll-ins from other superannuation funds. As such, you may wish to consider consolidating your various superannuation account balances into your Harwood Superannuation Fund account prior to commencing an allocated pension. We recommend you seek the assistance of a financial advisor before transferring any amounts into the fund or deciding whether to commence an allocated pension.

Cooling-off period

If you change your mind about electing to take an allocated pension under this Product Disclosure Statement, you may cancel your allocated pension within a cooling-off period. To do so, you must give written notice to the Trustee that you wish to cancel the allocated pension. The notice must be given within 14 days starting on the earlier of:

- your receipt of confirmation that the transfer of monies into the allocated pension has been processed, or
- the end of the fifth day after the day your allocated pension commenced. This will generally be the fifth day after the start of the relevant quarter in which your allocated pension commences (refer to page 7) for information on "Commencement date".

Your allocated pension will be redeemed at its current value. The amount you receive may be adjusted for any allocated pension amounts paid to you and for any taxes (if applicable), investment earnings and reasonable management and transaction costs of your cancellation.

How your Allocated Pension is calculated

Commencement date

Your allocated pension will commence on the first day of a calendar quarter (January, April, July and October) following the receipt of your completed application as long as your application is received by the Trustee on or before the 21st of the last month of the calendar quarter. If your allocated pension application is received after the 21st day of the last month of the calendar quarter we will contact you to seek instructions.

Your monthly allocated pension will be proportioned across all your investment options.

However, you can provide written instructions to the Trustee if you would prefer your monthly allocated pension be paid out of only one of your investment options. If the investment option you have selected has insufficient funds to meet your monthly allocated pension, the balance of your allocated pension will automatically be proportioned across all your investment options.

Payment date

Harwood Superannuation Fund's allocated pension will be paid monthly, on the 28th of each month (or earlier if the 28th falls on a weekend or public holiday), and will be forwarded electronically to your nominated bank, credit union or building society account.

Allocated pension levels

Harwood Superannuation Fund's allocated pension allows you to choose the level of your monthly allocated pension payments. The amount you receive must be equal to or above a certain prescribed minimum level, based upon your age.

The prescribed minimum levels for the relevant age bands are as follows:

Age of beneficiary at commencement or 1 July each year thereafter	Annual percentage payment amount (based on allocated pension account balance)*
	%
Under 65	4
65-74	5
75-79	6
80-84	7
85-89	9
90-94	11
95+	14

* If your allocated pension does not commence on 1 July, the pension percentage is applied proportionally for the number of remaining days in the financial year (measured from the commencement date), in order to determine the minimum allocated pension amount for the first year. Rounded to nearest \$10.

For standard allocated pensions, above this minimum amount you can select to receive any amount in allocated pension payments that you choose. You can also withdraw all or part of your allocated pension account balance as a lump sum.

For transition to retirement allocated pensions, above this minimum amount you can select to receive any amount in allocated pension payments that you choose, subject to a maximum annual drawdown limit of 10% of the balance of your allocated pension account. Also, there are restrictions on your ability to withdraw a lump sum (see page 5).

Worked example:

Step 1a - Standard allocated pension

Your account balance is \$400,000 and you are aged 66 at the beginning of the financial year (i.e. 1 July).

The minimum allocated pension amount you can elect to take for the year is \$20,000, calculated as follows:

$$5\% \times \$400,000 = \$20,000$$

Each monthly allocated pension payment will be \$1,666.67, calculated as follows:

$$\$20,000 \text{ divided by } 12 = \$1,666.67$$

Step 1b - Transition to retirement allocated pension

Your account balance is \$400,000 but you are aged 58 at 1 July and still working part-time.

The minimum allocated pension amount you can elect to take for the year is \$16,000, calculated as follows:

$$4\% \times \$400,000 = \$16,000$$

Each monthly allocated pension payment will be \$1,333.33, calculated as follows:

$$\$16,000 \text{ divided by } 12 = \$1,333.33$$

Step 2 - Calculation of tax (if applicable)

In the standard allocated pension example the pensioner is older than 60, therefore the pension is not assessable income for income tax purposes and no tax is deducted from the pension payment. In the transition to retirement allocated pension example the pensioner is aged less than 60, meaning tax will be deducted (please see page 9 for information on how allocated pensions are taxed)

Important note

Taxation information and information on social security entitlements provided in this Product Disclosure Statement is of a general nature only and does not take into account your personal circumstances. The information in this Product Disclosure Statement is correct at the time of printing, however, changes to legislation can occur.

Accordingly, we recommend that you seek independent advice about the taxation consequences of investing in these allocated pension products, including when and how to receive your benefit.

Allocated pensions and social security

Your eligibility for income support or age pension from the Government may be affected if you are in receipt of an allocated pension from the fund. Social security rules are complex and affect investors in different ways depending on their personal circumstances. For this reason you should seek advice from a licensed or authorised adviser about this or seek information from Centrelink.

Centrelink has two tests to determine eligibility for the age pension or income support – the income test and assets test. The test that produces the lower income support entitlement is used to calculate your benefit.

An allocated pension from the fund is subject to both the assets test and income test. 100% of your account balance is used for the assets test. From 20 September 2007, the assets test taper rate for the age pension and other social security purposes has changed.

The income you receive from your fund allocated pension less an annual tax exempt amount is used for the income test. The exempt amount for social security purposes is calculated differently than for tax purposes.

If you require any information in relation to the impact of starting an allocated pension on any social security entitlement please contact an authorised financial adviser or contact Centrelink directly.

How allocated pensions are taxed

Warning

Taxation information provided in this PDS is of a general nature only and does not take into account your personal circumstances. The information in this PDS is correct at the date of preparation, however, changes to legislation can occur. Further, it assumes your benefit does not contain an untaxed element (for example, insured death benefits with a future service period component). Higher tax may apply in these cases. How tax affects you will depend on your personal circumstances. You should seek professional taxation advice regarding your own circumstances.

Taxation on rollover into the allocated pension division

The transfer from any one or more of Divisions One, Two, Three or Five of the Harwood Superannuation Fund to Division Four, the allocated pension division, is treated as a rollover and therefore no tax is deducted at the time your benefit is transferred into the allocated pension division.

Taxation of allocated pension payments

The taxation of allocated pension payments will depend upon factors including your age at the time you receive the pension payment and, in particular, whether you are 60 years of age or older, as no tax is payable on pensions paid to persons aged 60 or over.

If your pension is taxable (eg you receive payments whilst you are under age 60) your pension entitlement is divided into two components, a taxable component and a tax exempt component. Each pension payment you receive will be proportionately split between the taxable and tax exempt component of your pension entitlement, based upon the proportion at the time you purchased the allocated pension.

Allocated pension payments received when you are aged 60 or over

If you are aged 60 or over, no tax is payable in relation to the allocated pension payments you receive. In addition, you do not need to include your allocated pension income in your tax return, as this does not count toward your assessable income for tax purposes.

Allocated pension payments received when you are under the age of 60

If you are under the age of 60, the tax exempt component is paid to you tax free, regardless of your age.

If you are over your preservation age (refer to the table on 27) and under 60, the taxable component of each pension payment will be taxed at your individual income tax rate plus the Medicare Levy (currently 1.5%), less a 15% tax offset.

If you are under your preservation age, the taxable component of each pension payment will be taxed at your individual income tax rate plus the Medicare Levy. However, no tax offset is available until you reach preservation age (unless your pension is a disability superannuation pension).

Tax on earnings

There is no tax on allocated pension investment earnings.

Tax on lump sum amounts withdrawn from allocated pensions (commutations)

Lump sum withdrawals may be made from a **standard** allocated pension at any time. Withdrawals from a transition to retirement allocated pension are restricted, particularly before satisfying an unrestricted condition of release (eg on retirement or reaching age 65). Any lump sum withdrawals (called "commutations") made from your allocated pension will be taxed as lump sum superannuation benefits and will be split into the taxable and tax exempt components.

The tax exempt component is always received tax free.

The tax in relation to the taxable component depends upon your age -

If you are age 60 or over, you pay no tax in relation to lump sum commutations. In addition, you do not need to include the lump sum amount in your tax return.

If you are over your preservation age and under 60 and have not previously received an amount from a superannuation fund, the first \$140,000¹ of the taxable component you withdraw from your allocated pension will be tax free. Any amount withdrawn above \$140,000 will be taxed at 15% plus the Medicare Levy.

If you are under your preservation age, the entire taxable component will be taxed at 20%, plus the Medicare Levy.

¹ This is known as the 'low rate threshold' and will be indexed to Average Weekly Ordinary Time Earnings (AWOTE) in increments of \$5,000.

Fees and other costs

CONSUMER ADVISORY WARNING

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a superannuation calculator to help you check out different fee options.

IMPORTANT

The fees and other costs of the Harwood Superannuation Fund are not negotiable.

Fees and other costs

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the fund.		
Establishment fee The fee to open your investment.	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment - either by you or your employer	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment.	Nil	Not applicable
Termination fee The fee to close your investment.	Nil	Not applicable
Management costs		
The fees and costs for managing your investment	0.35% p.a. applied quarterly (subject to a maximum of \$1,500.00 per financial year) PLUS for the High Growth Pension Option: 0.48% p.a. and for the Moderate Growth Pension Option: 0.42% p.a. and for the Lower Growth Pension Option: 0.33% p.a. and for the Protected Pension Option: 0.20% p.a.	The 0.35% p.a. (subject to a maximum of \$1,500 per financial year i.e. \$375 per calendar quarter), is deducted from your allocated pension account on a quarterly basis based on your account balance at the end of the calendar quarter. The 0.20% - 0.48% is deducted from the investment returns of the relevant investment option before declaring quarterly net earning rates and interim net earning rates. Please refer to the Additional Explanation of fees and costs on page 11.
Service fees		
Investment Switching fees The fee for changing investment options	Nil	Not applicable

Additional explanation of fees and costs

Management costs

- The 0.35% p.a. management fee which is applied quarterly and which is subject to a maximum of \$1,500.00 p.a (ie \$375 per calendar quarter) covers your share of the costs of running the fund, except for the cost of investing the assets. This management fee is deducted quarterly from your allocated pension account balance based on your account balance at the end of the calendar quarter.
- The percentages applied to the investment options are those currently charged by the Russell Investment Management Ltd, with whom the Trustee has entered into an implemented consulting agreement, for the management of the fund's investments (see the section on "Who manages your money" on page 13). The actual percentage that will apply to your investment may vary from time to time. However, the Trustee would not expect that the variation would be more than 0.50% above the management cost for each investment option shown in the table on page 10 of this Product Disclosure Statement. Any anticipated variation above this amount will be notified to you in advance.

See also the commentary below re transaction fees.

Performance fees

Performance fees may be payable in the future. The performance fees (if they become payable) would be as agreed with Russell Investment Management Ltd under the terms of the Implemented Consulting Agreement. If performance fees become payable, the management costs which are deducted from the investment returns of the relevant option before declaring quarterly net earning rates and interim net earning rates may increase.

However, the Trustee would not expect that the costs would increase by more than 0.50% above the costs of managing the investments of the various allocated pension investment options agreed with Russell Investment Management Ltd under the terms of the implemented consulting agreement and disclosed in the *Fees and Other costs* table on page 10. Any anticipated variation above this amount will be notified to you in advance.

Transaction costs (which includes buy/sell spreads)

In addition to the management costs stated in the table on page 10, transaction costs (including buy/sell costs) are deducted from Fund assets and therefore reflected in the net earning rates. Transaction costs are the cost of acquiring and redeeming units in the underlying distributing trusts in which each option is invested. The transaction costs cannot be predicted in any one period as they depend on the volume of acquisitions and redemptions. The amount will not exceed 0.50% of the Allocated Pension Division's assets in any one reporting period.

Transfer fee

Harwood Superannuation Fund does not charge a fee to roll your benefit over to any other complying superannuation fund.

Tax

Please refer to "How allocated pensions are taxed" on page 9.

Family law fee

A family law fee will be charged in relation to the following services:

- \$220.00 for an application for information – payable by the party who requested the information. For a non-member spouse the fee must be paid by cheque on application and for a member spouse it may be deducted from the allocated pensioner's entitlement in the fund.
- \$550.00 for a payment split – this fee is divided evenly between the parties of the payment split unless the non-member spouse is entitled to 100% of the allocated pensioner's entitlement in the fund. The fee will be deducted from the member spouse's allocated pension account balance and the non-member spouse's entitlement.
- \$220.00 for payment flagging – this fee is split evenly between the parties to the payment flag, by allocating the amount to the member's account at the time of receiving the request.

Financial adviser commissions

Harwood Superannuation Fund DOES NOT pay any sales or trail commissions to financial advisers, tax advisers or sales agents.

Maximum fees

The Trustee is not entitled to a 'profit' fee from the fund for performing its duties. However, the Trustee is entitled to recover from the fund the expenses it incurs in performing its duties (which includes managing the fund). There is no maximum limit on the amounts the Trustee may recover in this way.

Increases or alterations to fees and charges

The Trustee has the power to alter fees and charges at its discretion.

- You will be advised in writing at least 30 days in advance of any new or increased fees which are deducted directly from your allocated pension account balance.
- For management costs not deducted directly from your allocated pension account balance, advance notice in writing applies to increases which exceed 0.50% above the indicative management cost for each investment option shown in the table on page 10.

EXAMPLE OF ANNUAL FEES AND COSTS FOR A BALANCED INVESTMENT OPTION

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

EXAMPLE – Moderate Growth Pension Option		Balance of \$50,000
Management Costs	0.42% p.a. PLUS 0.35% p.a. (applied quarterly and subject to a maximum of (\$1,500.00 pa)	For every \$50,000 you have in the fund you will be charged \$210.00 each year plus \$175.00 in administration fees Note the above example assumed that your account balance is \$50,000 at the end of each calendar quarter during the year.
EQUALS Cost of fund		If your balance was \$50,000, then for that year you will be charged fees of: \$385.00 What it costs you will depend on which investment options you choose and the fees you negotiate with your fund or financial adviser.

Note:

- Please see page 16 for more information on the Moderate Growth Pension option.
- These fees are not negotiable in the Harwood Superannuation Fund.
- The 0.42% is the actual cost currently charged by Russell Investment Management Ltd, under its implemented consulting agreement with the Trustee. The costs charged to you may vary from time to time.
- Please refer to the Management Costs section of the Additional Explanation of Fees and Other Costs for more information.

Your allocated pension investment options

Harwood Superannuation Fund gives you the opportunity to choose how your allocated pension is invested. Your Harwood Superannuation Fund allocated pension investment options are:

- **High Growth Pension Option**
- **Moderate Growth Pension Option**
- **Lower Growth Pension Option**
- **Protected Pension Option**

You can spread your investment across the four options in the proportions you choose. For detailed information on the investment options please refer to pages 13 - 18.

Your investment in the Harwood Superannuation Fund is not guaranteed. The value of your investment can rise or fall. Past performance is not a reliable indicator of future performance. Net earning rates are quoted after fees and taxes (if any). The rate of tax on allocated pension investment earnings is zero.

Who manages your money?

Your Trustee currently outsources the investment of the assets of the Allocated Pension Division to Russell Investment Management Ltd through an implemented consulting agreement. Russell Investment Management Ltd (ABN 53 068 338 974, AFS Licence Number 247185) is a member of the Russell Investment Group of companies, which is a global multi-manager investment company.

Under the agreement, Russell Investment Management Ltd currently manages and invests the majority of the assets of the Fund and also provides asset consulting services to the Trustee. The performance of Russell Investment Management Ltd is reviewed regularly by the Trustee. The agreement is terminable by either party on giving 120 business days' notice, or any time by the Trustee giving notice if certain events occur.

Under the implemented consulting agreement, the assets of the Allocated Pension Division are to be invested in accordance with an agreed investment strategy for each allocated pension investment option. However, the Trustee is entitled under the agreement to instruct Russell Investment Management Ltd at any time to change some or all of the investment strategies.

The implemented consulting agreement currently contemplates that the investment strategies are to be satisfied by the Trustee investing in products issued by Russell Investment Management Ltd.

Under the implemented consulting agreement in its current form, the assets of the Allocated Pension Division are to be invested in the Russell distributing trusts listed below.

However, the Trustee reserves the right to change some or all of the investment strategies without notice, as well as the means by which those strategies are to be implemented. In particular, the Trustee reserves the right to implement the investment strategies by investing in assets or financial products other than those issued by Russell Investment Management Ltd. Therefore, by selecting any of the allocated pension investment options, you are not giving (nor are you entitled to give) the Trustee an instruction that a particular financial product, or a financial product of a particular kind, is to be acquired. Instead, you are selecting one of the fund's available investment options on the terms and conditions of this Product Disclosure Statement, including the Trustee's reservations of rights mentioned above in relation to investment matters.

The following information was current at the time of printing. For the latest information please visit www.csrsuper.com.au or www.rinkersuper.com.au.

Allocated pension investment option	Investment
High Growth Pension Option	Russell Growth Fund*
Moderate Growth Pension Option	Russell Balanced Fund*
Lower Growth Pension Option	Russell Diversified 50 Fund*
Protected Pension Option	Russell Australian Cash Enhanced Fund*

* You will be provided with a copy of the Product Disclosure Statement for the Russell Fund that corresponds to the investment option shown above.

When can you change your investment options?

You may wish to review your investment options periodically to ensure they suit your current circumstances. Investment options can only be changed once each calendar quarter. There is no charge to you for making a change to your investment options (switching).

To change your investment options you can complete an Investment Choice Change Request form which can be obtained by calling the fund or downloading the form from the website.

These changes **MUST** reach the fund by the **21st of the last month of the calendar quarter** in order to take effect from the first day of the next calendar quarter.

Any directions to the Trustee to change your investment options will be acknowledged following receipt. The Trustee will not act on instructions for changes received after the 21st of the last month of the calendar quarter.

If you miss the cut-off date you will be contacted to confirm whether you would like your instructions carried over to the next quarter. If the Trustee receives more than one instruction during a quarter, only the last one will be acted on.

Example

For a change to be effective from 1 April your form needs to reach Harwood Superannuation Fund by 21 March.

High Growth Pension Option

Investment objective

To provide investors with capital growth over the long term by focusing on growth assets, while accepting fluctuations in capital values in the short term.

Investment strategy

Monies held within the High Growth Pension Option are currently invested in the Russell Growth Fund that invests according to a 90/10 mix between growth and income investments with the following strategic asset allocation:

	Strategic Asset Allocation
	%
Growth Assets	
Australian shares	42
International shares	20
International shares \$A Hedged	20
Australian property securities	5
International property securities*	3
Defensive Assets	
Australian bonds	7
Alternative Strategies*	3
Cash	0
Total	100
* \$A Hedged	

Rebalancing

To maintain the desired asset allocation, the actual asset allocation will be regularly rebalanced by Russell Investment Management Ltd back to the strategic asset allocation.

Risk profile

High risk

Labour standards and environmental, social and ethical considerations

The Trustee seeks to achieve a specific performance objective. The Trustee does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments.

Moderate Growth Pension Option

Investment objective

To provide investors with medium term capital growth with moderate to high volatility and income through exposure to a diversified investment portfolio.

Investment strategy

Monies held within the Moderate Growth Pension Option are invested in the Russell Balanced Fund that invests according to a 70/30 mix between growth and income investments with the following strategic asset allocation:

	Strategic Asset Allocation
	%
Growth Assets	
Australian shares	32
International shares	20
International shares \$A Hedged	10
Australian property securities	5
International property securities*	3
Defensive Assets	
Australian bonds	15
International bonds*	10
Alternative Strategies*	3
Cash Enhanced	1.4
Cash	0.6
Total	100

* \$A Hedged

Rebalancing

To maintain the desired asset allocation, the actual asset allocation will be regularly rebalanced by Russell Investment Management Ltd back to the strategic asset allocation.

Risk profile

High/medium risk

Labour standards and environmental, social and ethical considerations

The Trustee seeks to achieve a specific performance objective. The Trustee does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments.

Lower Growth Pension Option

Investment objective

To provide investors with a mix of both medium term capital growth with some volatility and income through exposure to a diversified investment portfolio.

Investment strategy

All monies held within the Lower Growth Option are invested in the Russell Diversified 50 Fund that invests according to a 50/50 mix between growth and income investments with the following strategic asset allocation:

	Strategic Asset Allocation
	%
Growth Assets	
Australian shares	20
International shares	15
International shares \$A Hedged	5
Australian property securities	5
International property securities*	5
Defensive Assets	
Australian bonds	22
International bonds*	13
Cash Enhanced	10.5
Cash	4.5
Total	100

* \$A Hedged

Rebalancing

To maintain the desired asset allocation, the actual asset allocation will be regularly rebalanced by Russell Investment Management Ltd back to the strategic asset allocation.

Risk profile

Medium/Low risk

Labour standards and environmental, social and ethical considerations

The Trustee seeks to achieve a specific performance objective. The Trustee does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments.

Protected Pension Option

Investment objective

The Protected Option is designed for members who are more concerned about the short-term protection of their capital rather than prospects for long-term growth. The option aims to produce returns higher than those available from bank deposits, to the extent possible, while maintaining a very low risk of a negative return in any year.

Investment strategy

Monies held within the Protected Pension Option are invested in the Russell Cash Enhanced Fund that invests in assets such as Australian dollar mortgage backed securities, asset backed securities and corporate floating rate notes. Derivatives may also be used:

Strategic Asset Allocation	
%	
Defensive Assets	
Cash Enhanced Fund	100

Risk profile

Very low risk

Labour standards and environmental, social and ethical considerations

The Trustee seeks to achieve a specific performance objective. The Trustee does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments.

Understanding investments

How the investment options are designed

Each investment option has a set of investment objectives that takes into account its risk/return profile. These objectives are determined after modelling the expected long-term future economic and investment market conditions. The investment objectives and strategies are reviewed by the Trustee from time to time and adjusted as appropriate.

To achieve its particular objective, each investment option has a different mix of growth assets and defensive assets. The only exception is the Protected Option, which invests 100% in defensive assets. The investment options weighted towards growth assets generally have a higher risk/return profile than options weighted towards defensive assets. Defensive assets generally earn lower returns over the longer term than growth assets but are not subject to the same fluctuations in value.

Growth assets

“Growth assets” is a term generally used to describe shares and property. These assets earn income from dividends or rent and increase in value from capital gains. The capital gain/loss is the rise/fall in market value. The total value of these assets can rise and fall significantly in the short-term. For example, you may have noticed how the share price for a company can vary dramatically each day.

Shares

Investing in shares means actually buying part ownership, or equity, in a company. Shares can generally be bought and sold on a stock exchange.

Property

Investment in property means obtaining units in listed property trusts or unlisted property vehicles and/or purchasing properties such as office buildings and shopping centres.

Defensive assets

“Defensive assets” generally refers to fixed interest and cash, which earn returns primarily from interest. “Defensive assets” may also include various alternative strategies such as a fund of hedge funds.

Fixed interest

When an investor lends money to governments, semi-government bodies and corporations, interest is paid at an agreed rate, which is fixed for the term of the loan. These investments are also known as bonds. Fixed interest investments can be held to maturity or traded at any time before maturity. If they are sold before maturity, the price will depend on the market interest rate at the time. Returns from fixed interest investments occur from regular interest payments and any change in value caused by movements in interest rates.

Cash

Investments in cash include money invested in short-term deposits or bank bills and interest is earned on the cash invested. This is similar to having money in a bank account.

Derivatives

The Fund's implemented consultant (Russell Investment Management Ltd) may use derivatives (including currency and interest rate forwards, futures, options, swaps and options on futures) from time to time for hedging, risk control and to implement investment strategies for the Russell funds. In particular, some of the underlying Russell sector funds use share or bond index futures contracts to equitise cash holdings and some use currency hedging to hedge their currency exposures back to Australian dollars.

However, by investing in alternative strategies, the Russell Balanced Fund (in which the Moderate Growth Pension Option is invested) and the Russell Growth Fund (in which the High Growth Pension Option is invested) are exposed to derivatives that are used for hedging, speculation and gearing purposes. Please refer to pages 15 & 16 for the strategic asset allocation to alternative strategies.

Currency risk

Changes in exchange rates of currency may affect the investment returns of the Funds. The Russell Funds may use currency hedging programs to reduce the level of currency risk. For Funds that are identified as *\$\$A hedged* the benchmark is to be 100% currency hedged, some foreign currency exposure can remain which may affect the investment values of these Funds.

Alternative strategies risk

There are increased risks inherent in alternative investments. These include a higher exposure to counterparty and settlement risk (eg the creditworthiness of the various parties), liquidity risk and short selling risk, and more leverage than traditional investment strategies. The maximum loss is limited to the amount invested in these alternative strategies (refer to the strategic asset allocation for the High Growth Pension and Moderate Growth Pension options on pages 15 & 16).

Investment risk

As your allocated pension is invested in financial markets you are exposed to investment risk.

Investment risk is the degree to which asset values fluctuate, that is, go up and down in value over time. You should not consider investment return without considering the investment risk. Generally, the higher the potential return, the higher the risk. In order to pursue higher investment returns you may have to be willing to take on additional investment risk. However, taking higher risks does not necessarily guarantee higher returns. While shares and property might provide higher long-term returns than fixed interest securities and cash, they also expose you to higher levels of risk, particularly in the short-term when the value of shares and property can go either up or down significantly.

In financial terms, there is also a risk of your allocated pension not being able to provide you with the income you desire throughout your retirement. Therefore, if you try to avoid investment risk altogether, your allocated pension account may run out sooner than would be desirable. In fact, your allocated pension may not even keep pace with inflation.

Your tolerance to investment risk is an important factor to consider before making your investment choice. Everyone has a different tolerance to investment risk and you need to be comfortable with the level of investment risk associated with the investment option or options you choose.

Diversification may help reduce risk

Diversification limits the risk taken by spreading money across a number of different investments. It means not having to rely on the performance of any one investment – so if one falls in value, another may perform well to make up for the decline in value. The fund's investment options utilise diversification by investing in a range of asset classes, across different geographical regions, then within asset classes across a range of industries and companies.

Inflation

How much your investment grows in real terms depends on the inflation rate.

Example

If your investment produces a 6% p.a. return (before fees and taxes), but inflation is 2% p.a., then your return, relative to inflation, before fees and taxes is 4% p.a. This is called the real rate of return.

Net earning rates

The quarterly net earning rate for each option represents the gain or loss in the capital value of investments over the calendar quarter, dividends and other earnings less investment expenses. The earnings are allocated to allocated pension account balances using the daily balances in each allocated pension account during the quarter.

Only allocated pensioners who are in *Division Four* on the last day of the relevant quarter participate in the distribution of quarterly earnings. In other cases an interim net earning rate is applied.

Interim net earning rates are applied to the allocated pension account balance of an allocated pensioner who makes a full withdrawal during a calendar quarter. Interim net earning rates are used for all investment options for the period since the end of the previous quarter and are applied up to and including the date of payment.

Allocated pensioners are advised of the quarterly net earning rates in a quarterly newsletter and the quarterly net earning rates are available on the fund's websites (www.csrsuper.com.au or www.rinkersuper.com.au) approximately three weeks after the end of each calendar quarter.

The interim earning rate represents the change in value of the underlying investments of each investment option since the end of the previous calendar quarter. Underlying investments comprise units in the Russell distributing trusts listed on page 13. Consequently, we use the latest available unit prices from these trusts when calculating the interim net earning rates.

Net earning rates 5-year history

The net earning rate is the actual percentage rate allocated to your allocated pension account after investment expenses have been deducted. The table below shows the net earning rates for the various allocated pension investment options of the Harwood Superannuation Fund for the past 5 years.

You should be aware that past net earning rates are not a reliable indicator of future net earning rates. Further, the strategic asset allocation has changed from time to time over the past five years, and in particular, following the transition to the implemented consulting arrangement. Please refer to pages 15 to 18 for the strategic asset allocation for the various allocated pension investment options.

Allocated Pension Net earning rates	Year ended 30 June 2007 % p.a.	Year ended 30 June 2006 % p.a.	Year ended 30 June 2005 % p.a.	Year ended 30 June 2004 % p.a.	Year ended 30 June 2003 % p.a.	5 year compound average to 30 June 2007 % p.a.
High Growth Pension Option	20.74	22.46	15.83	20.57	- 2.76	14.96
Moderate Growth Pension Option	16.66	18.36	14.03	16.19	0.90	13.04
Lower Growth Pension Option	10.65	10.93	11.34	9.86	6.39	9.82
Protected Pension Option	6.02	5.57	5.39	5.12	5.21	5.46
Inflation rate (CPI)	2.10	4.00	2.49	2.48	2.69	2.75

Death benefits

What happens to my allocated pension when I die?

When you apply for a Harwood Superannuation Fund allocated pension you may nominate on the allocated pension application form how you would like the balance of your allocated pension account to be paid in the event of your death.

1. Nominated Allocated Pension Beneficiary

You may nominate your spouse as your *Nominated Allocated Pension Beneficiary* at the time you apply for an allocated pension (reversionary beneficiary) or transition to retirement allocated pension.

Your allocated pension will continue to be paid to your *Nominated Allocated Pension Beneficiary* and the allocated pension terms and conditions will continue to apply. On the death of your *Nominated Allocated Pension Beneficiary* any balance in the allocated pension account will be paid to his/her Legal Personal Representative (estate), or if there is no Legal Personal Representative then it may be paid to any person the Trustee considers appropriate.

Please note

You should consider any impact of nominating your spouse as your *Nominated Allocated Pension Beneficiary* before completing the allocated pension application form.

2. Suggested lump sum beneficiaries

You may nominate any one of your dependants and/or your Legal Personal Representative (estate) to be your suggested beneficiaries in the event of your death.

A nomination of suggested beneficiaries is not binding, but is a factor that the Trustee is required to take into account when exercising its discretion in determining to whom a death benefit should be paid. The Trustee will keep the information you provide confidential.

Can a spouse apply a lump sum benefit to a Harwood Superannuation Fund allocated pension?

If the spouse of a pensioner or a member of any Division of the Harwood Superannuation Fund becomes entitled to receive a lump sum death benefit from the Fund he/she may request to take all or part of the benefit as an allocated pension rather than as a lump sum.

The spouse should consider obtaining professional advice in these circumstances to assist in understanding the alternatives, including tax and age pension matters.

Tax on death benefits

The manner in which benefits paid as a result of your death are taxed depends upon the ultimate recipient of the benefit and, in particular, whether they are considered a dependant or a non-dependant.

Who is a dependant?

A dependant for the purposes of concessional tax treatment includes a spouse (including a de-facto spouse) and child under the age of 18 (including adopted, ex-nuptial, posthumous and step child) and any person with whom you had an "interdependency relationship". A child aged 18 or more is not considered a dependant for tax purposes unless they are financially dependent on you, an interdependant or disabled. A dependant may also include any other person who is financially dependent on you.

An interdependency relationship is defined as two individuals who:

- (i) have a close personal relationship; and
- (ii) live together; and
- (iii) one or each of the individuals provides the other with financial support; and
- (iv) one or each of the individuals provides the other with domestic support and personal care.

An interdependency relationship also exists where there is a close personal relationship but the other criteria are not satisfied due to physical, intellectual or psychiatric disability.

Allocated pension death benefit paid to your spouse

The rules of the allocated pension division of the Harwood Superannuation Fund allow only the spouse of a deceased allocated pensioner to elect to commence an allocated pension with the lump sum death benefit.

If your spouse receives a death benefit as an allocated pension, the tax paid depends upon your age at death and your spouse's age as follows:

- Where you were aged 60 or over at the time of death, or you were under age 60 but your spouse was age 60 or more, the allocated pension payments will be received by your spouse tax-free. The allocated pension payments do not need to be included in your spouse's tax return.
- Where you were under age 60 at the time of death and your spouse is under age 60, the allocated pension payments will be taxed as follows: the tax exempt component is paid tax free and the taxable component will be taxed at your spouse's individual income tax rate plus the Medicare Levy (currently 1.5%), less a 15% tax offset. Accordingly, the allocated pension payments will need to be included in your spouse's tax return. When your spouse turns 60, the payments will become entirely tax free.

If a reversionary beneficiary decides to cease their income stream after the later of the following two stated times, the resulting lump sum will be taxed as an ordinary superannuation benefit payment and will be subject to the tax applicable to lump sum commutations rather than a death benefit lump sum:

- 6 months of the death of a member; and
- 3 months after the grant of probate of the deceased member's estate.

Lump sum death benefits (if applicable)

Should the trustee determine that a lump sum death benefit is payable on the death of an allocated pensioner the death benefit lump sum would be taxed as follows:

- (a) any lump sum benefit paid to your spouse (or other dependant) will be tax free, regardless of your age or the age of your spouse (or other dependant);
- (b) the taxable component of any lump sum paid to a non-dependant will be taxed at 15% (plus 1.5% Medicare levy) to the extent the benefit represents past service, and 30% (plus 1.5% Medicare Levy) to the extent that the benefit represents future service. The tax exempt component will not be taxed; and
- (c) any lump sum benefit paid to your legal representative will be taxed in the hands of your legal personal representative depending on the extent to which dependants/non-dependants will benefit out of the estate from the lump sum: no tax is payable to the extent that dependants will benefit; to the extent that non-dependants will benefit, the tax treatment is as described under point (b) above.

Tax File Numbers

If you wish to provide your Tax File Number (TFN) to the Trustee (Harwood Nominees Pty Limited), you must complete the relevant section on your Allocated Pension Application form.

As the Trustee of the fund we are required to inform you, before you decide whether to provide your TFN to us, of the following:

- We can collect your TFN under the Superannuation Industry (Supervision) Act 1993 and taxation law.
- If you do provide your TFN to us, we will use it only for legal purposes. These include:
 - taxing superannuation payments at concessional rates (if applicable),
 - accepting non-concessional contributions,
 - not applying excess tax to concessional contributions,
 - finding and amalgamating your superannuation benefits where insufficient information is available,
 - passing your TFN to the Australian Taxation Office where you receive a benefit or have unclaimed superannuation money after reaching the Government's aged pension age, and
 - allowing the Trustee to provide your TFN to a superannuation fund or Retirement Savings Account (RSA) receiving any benefits you may transfer. We will not pass your TFN to any other fund or RSA if you tell us in writing not to do so.

These purposes may change in the future.

- It is not an offence if you choose not to quote your TFN. However, if you do not provide your TFN, either now or later:
 - you may pay more tax on your benefits than you would otherwise have had to, and
 - it may also be more difficult to locate or amalgamate your superannuation benefits in the future or to pay you any benefits you are entitled to. These consequences may change in the future.

For more information, you can contact the fund or the ATO Superannuation Helpline (13 10 20).

Important information

Can I make lump sum withdrawals?

Yes, you can withdraw a lump sum amount at any time if your pension is a standard allocated pension but lump sum tax may be payable on your taxable component if you are under age 60 (see “How allocated pensions are taxed” on page 9). The minimum withdrawal is \$5,000 (or the balance of your allocated pension account if less) and it will be apportioned across the total investment options of your allocated pension account unless you request otherwise. The payment must be apportioned across the taxable and tax exempt components in accordance with the proportion that each of these components comprise of your total account value.

If your pension is a transition to retirement allocated pension, restrictions apply on lump sum withdrawals.

You should seek professional advice before commuting all or part of your allocated pension.

Do I have any insured cover?

No, the Harwood Superannuation Fund does not provide allocated pensioners with any insured death or disablement cover.

Can I borrow against my allocated pension?

No, it is not possible to use the capital value or income from your Harwood Superannuation Fund allocated pension as security for a borrowing.

Family law and superannuation

The Family Law Legislation Amendment (Superannuation) Act 2001 amended the Family Law Act 1975 to enable the division of superannuation on marriage breakdown. If you need more information on this you should seek your own legal advice.

Trustee liability insurance

The Trustee, Harwood Nominees Pty Limited, has a current trustee liability insurance policy.

Complaints procedures

Members or non-member spouses who have an inquiry or complaint may call the Harwood Superannuation Fund on (02) 9235 8533 on any weekday between 8.30am and 5.30pm (Sydney time). Inquiries outside these hours may be left on voicemail.

Email: info@csrsuper.com.au or info@rinkersuper.com.au

or

Fax: (02) 9235 8577

Write to: Inquiries and Complaints Officer
Harwood Superannuation Fund
PO Box 744
CHATSWOOD NSW 2057

In the event that the Inquiries and Complaints Officer is unable to resolve any inquiry or complaint it will then be considered by a committee comprising senior fund management and, failing resolution by that committee, by the full Trustee Board. A copy of the Harwood Nominees Pty Limited's Inquiries and Complaints procedures is available on the websites www.csrsuper.com.au or www.rinkersuper.com.au or by phoning the fund on (02) 9235 8533.

All inquiries and complaints will be dealt with within 90 days of the date they were received. If a complaint is not resolved to a member or non-member spouse's satisfaction by these arrangements, it may be referred to the Superannuation Complaints Tribunal (SCT) in certain circumstances.

The SCT was established by the Commonwealth Government to provide a simple and inexpensive review mechanism for complaints about the decisions of superannuation fund trustees affecting individual members. It has the primary function of inquiring into complaints and trying to resolve them by conciliation. Where a complaint cannot be resolved by conciliation, the SCT can review the decision of the Trustee. It has other functions, including helping a complainant to make a complaint or to put it in writing.

Members can contact the SCT by phoning 1300 780 808 for the cost of a local call.

Alternatively you can write to:

Superannuation Complaints Tribunal
Locked Bag 3060
GPO Melbourne Vic 3001

Privacy collection statement

The Trustee of Harwood Superannuation Fund collects personal information from you when you join the fund. It also collects additional personal information from you by other means from time to time (such as changes to your investment choice selection).

Where practicable, the Trustee obtains personal information from your employer, such as salary or wage information.

If you have any questions about the personal information that is being collected, please contact the fund's Privacy Officer at:

Level 2, 9 Help Street
Chatswood NSW 2067

PO Box 744
Chatswood NSW 2057 Tel: (02) 9235 8533 Fax: (02) 9235 8577

By writing to the fund's Privacy Officer you can request access to your personal information that is being held by us. The Trustee will deal with your request in accordance with the National Privacy Principles. More detail on the fund's access arrangements is set out in Harwood Superannuation Fund's Privacy Policy Statement (available directly from the Privacy Officer or on the websites www.csrsuper.com.au or www.rinkersuper.com.au).

You are also encouraged to update your personal information, at any time, by contacting the fund.

The personal information you supply to the Trustee is used for the purposes of establishing your individual account in the fund, processing contributions, and providing you with fund benefits. The personal information will also be used for the purposes of administering your investment choice selection, managing the assets with a view to implementing your investment choice, processing the payment of your benefits and complying with applicable laws and regulations.

The types of organisations to which the Trustee usually discloses personal information when necessary include:

- The Australian Taxation Office and other government authorities when and to the extent required by law.
- Your employer from time to time (except in the case of sensitive information where your consent would be sought).
- The fund's professional advisers (including legal and accounting firms, auditors, actuaries, consultants and other advisers).
- Any superannuation fund or arrangement to which your benefit is to be transferred or rolled over (including the administrator of that fund or arrangement).
- Any third party service provider the fund may engage to provide administration, technology, auditing, mailing, printing services or group life insurance.
- Your spouse or former spouse where required by law.
- In the event of your death, your legal personal representative, any person who may be entitled to receive the death benefit, any person contacted in relation to the processing of the death benefit and their advisers.

The Australian superannuation, taxation and family laws that apply to your fund membership and its administration require the collection of the information sought from you.

By completing the Allocated Pension Application form you agree to the fund collecting, using, storing and disclosing personal information about you in accordance with this Privacy Collection Statement.

Information you can request

The Trustee must provide members with the following information within one month of receipt of a request. No fees will be charged for providing this information.

- Copy of Harwood Nominees Pty Limited's Australian Financial Services Licence,
- Details of Harwood Nominees Pty Limited's authorised representatives,
- APRA annual returns and notices (if any),
- ASIC notices re compliance (if any),
- Auditor's report required under superannuation law,
- Latest audited Fund financial statements,
- Governing rules of Harwood Superannuation Fund (trust deed),
- Latest actuarial valuation of the Harwood Superannuation Fund,
- Latest annual report,
- Harwood Superannuation Fund's Risk Management Plan.

AMP Eligible Rollover Fund (AMPERF)

The Trustee will transfer your pension lump sum benefit to AMPERF in the following circumstances.

If a monthly pension payment is rejected by the pensioner's nominated financial institution and subsequent to this two items of written correspondence that the Trustee sends to the last known address are returned as "unclaimed" then the pensioner's benefit will be:

- rolled over to AMPERF as a lump sum, where the individual is less than 65 years of age; or
- Remitted to the Australian Taxation Office as described within the section of this document titled "Lost members and unclaimed money", where the member is 65 years of age or older.

Subject to the conditions above, transfers to AMPERF occur on a quarterly basis. No fee is charged for transferring your benefit to the ERF.

Details of the AMPERF are:

AMP Life Limited
AMP Eligible Rollover Fund (AMPERF)
Locked Bag 5400
PARRAMATTA NSW 1741

Phone: 1300 300 288

Email: polinfo@amp.com.au

Internet: www.amp.com.au/erf

Being transferred to AMPERF may affect your benefits because:

- You will cease to be a pensioner of the Harwood Superannuation Fund,
- You will become a member of AMPERF and be subject to its governing rules. If the Trustee can provide AMPERF with current contact details, AMPERF will provide you with their current Product Disclosure Statement (PDS), which outlines the operational details of AMPERF. You can contact AMPERF to ask for a copy of their PDS,
- AMPERF credits interest to accounts at a rate determined by the AMPERF trustee,
- AMPERF will apply a different fee structure than the pension division of the Harwood Superannuation Fund. AMPERF does not deduct expenses such as administration and investment fees directly from your account. As a result, AMPERF automatically satisfies the SIS requirements to protect the value of members' accounts with balances below \$1,000 from fees. AMPERF crediting rates represent a distribution of profit to participating policy holders in the AMP No 1 Statutory Fund. The profit distribution reflected in AMPERF crediting rates is determined after accounting for various expenses associated with holding and managing assets. These expenses include administration and investment fees, as well as taxes (including earnings tax). You should refer to the AMPERF PDS for circumstances in which fees may apply or be changed,
- AMPERF invests in a capital guaranteed life insurance policy issued to the AMPERF trustee by AMP Life Limited (AMP). The policy is a participating policy in the AMP No 1 Fund. The investment strategy for the assets in the AMP No 1 Fund that are backing the ERF policy is currently centred on cash and fixed interest investments, supplemented by investments in shares to provide long-term growth. AMP guarantees the full value of members' benefits. The assets underlying the ERF policy are held in the AMP No 1 Fund and are managed by AMP Capital Investors Limited. You should evaluate whether this strategy is appropriate to your specific circumstances, and
- AMPERF does not provide insurance cover.
- Shortly before the preparation date of this Harwood Superannuation Fund Pension PDS, AMP Superannuation Limited (ABN 31 008 414 104, AFSL No 233060), the trustee of AMPERF consented to the statements in the bullet points that appear above (other than the first bullet point) being included in this PDS. AMP Superannuation Limited takes no responsibility for the content of this PDS other than the statements that have been included in this PDS with its consent. AMP Superannuation Limited has not authorised or caused the issue of this PDS.

If your benefits are transferred to AMPERF, you are strongly encouraged to read the latest version of the AMPERF PDS.

To claim your benefit or to arrange a rollover or transfer you can contact AMPERF directly.

Super terms explained

Throughout this PDS we have tried to use simple English to explain your Harwood Superannuation Fund allocated pension benefits. However, there are some terms that had to be used. In this section we explain their meaning to provide you with a better understanding of your super.

Inflation rate

This is the rate at which the price of goods and services rise or fall. This is usually shown as a percentage and is measured by the Consumer Price Index (CPI).

Investment objectives

These are the goals that the investment option aims to achieve.

Investment risk

Investment risk is the degree to which returns fluctuate, that is, go up and down in value over time relative to a long-term average.

Investment strategy

This is the way assets in the various options are invested to target the investment objective.

Net earning rate

The rate of earnings applied to your allocated pension account as a result of the returns earned on investments after investment fees have been deducted. Net earning rates can be positive or negative.

Preservation age

The age at which a member *may* be able to gain access to preserved benefits that have built up in a super fund, approved deposit fund or retirement savings account.

Preservation age for persons:

Born before 1/7/1960	55
Born from 1/7/1960 to 30/6/1961	56
Born from 1/7/1961 to 30/6/1962	57
Born from 1/7/1962 to 30/6/1963	58
Born from 1/7/1963 to 30/6/1964	59
Born on or after 1/7/1964	60

Preserved benefit

That portion of a superannuation benefit that government legislation requires to be maintained, either in a super fund, approved deposit fund or retirement savings account, until certain conditions are met.

Standard allocated pension

An allocated pension that is not a transition to retirement allocated pension.

Strategic asset allocation

Strategic asset allocation is a term used to describe the way each investment option is structured to achieve its investment objective. The mix of asset classes and the proportion invested in each asset class is different for each investment option.

Switching

Switching is changing from your current investment option to another.

Transition to retirement allocated pension

An allocated pension that shares some features with a standard allocated pension but has a maximum payment limit, restrictions on lump sum withdrawals, and is designed to be used to access superannuation benefits before retirement.

Trust deed

A trust deed is a document that sets out the rules for the establishment and operation of a superannuation fund.

Lost members and unclaimed money

It is a requirement of the Commonwealth Government that information about a member's benefit be reported to the Australian Taxation Office (ATO) if a member becomes lost.

The Harwood Superannuation Fund allows members who have ceased employment with the participating employers to remain in the fund as retained members if they have a member account balance of at least \$1,200.

A retained member is permanently excluded from being a lost member if, having received written notice that they have become a retained member on ceasing employment and can therefore withdraw from the fund, they have continued their membership. If the notice sent to a member upon becoming retained is returned undelivered, then this member is not considered a permanently excluded member.

Lost members include members for whom the Harwood Superannuation Fund has never had an address or in respect of whom two items of written correspondence that the fund sends to the last known address are returned as unclaimed.

You are not considered a lost member if you are a retained member who has been permanently excluded from being a lost member in the circumstances outlined earlier.

Further, you are not considered a lost member if you are an inactive member, having originally been an employer sponsored member of the Fund of which you have been a member for longer than 2 years, and the Fund has received a contribution or rollover in respect of you within the last 5 years of your membership of the Fund.

The Harwood Superannuation Fund is a corporate superannuation fund and carries out regular follow-ups with the participating employers to confirm that all employed members receive their required contributions on a regular basis.

Lost members including retained members who have not been permanently excluded from being considered lost are reported to the ATO.

The fund endeavours to locate lost members by contacting the lost members' former employer. If a lost member's benefit is still in the fund when the member reaches the Commonwealth Government's pension age, the benefit will be transferred to the Australian Taxation Office under the unclaimed monies legislation.

A member or their dependants can recover their benefit by contacting:

Australian Taxation Office
GPO Box 9999, in your capital city.
Telephone: 13 10 20

Monies transferred to the Australian Taxation Office will not earn interest.

Keeping in touch

Harwood Superannuation Fund can be contacted on any business day by telephone on (02) 9235 8533 between 8.30am and 5.30pm (Sydney time). Inquiries outside these hours may be left on voicemail.

As an allocated pensioner of Harwood Superannuation Fund, you will be provided with the following information:

- An annual periodic statement showing details of your allocated pension account balance for the year ended 30 June,
- Regular updates provided through quarterly newsletters,
- An allocated pension annual review form for you to use to advise us of your new allocated pension amount, confirmation of which will be provided in writing,
- An annual report containing details of the financial performance and operation of the Harwood Superannuation Fund,
- Notice of any significant events.

Important note:

We can only send you information if we have your current address. It is important you tell us your new address if you move. You can change your address by completing a Change Request form that can be printed from the websites or by advising the fund in writing of your changed address.