

KOGAN SUPER

Product Guide

RETAIL DIVISION
MERCER SUPER TRUST

19 AUGUST 2019

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ABOUT THIS GUIDE

This *Product Guide* (Guide) provides important information about Kogan Super and forms part of the *Product Disclosure Statement* (PDS).

You should consider the information in this Guide, the PDS and the *Insurance Guide* that are part of the PDS before making any decision about your super.

The information provided in this Guide is of a general nature only and does not take into account your personal financial objectives, situation or needs. You should use this information to consider whether Kogan Super suits your investment objectives, financial situation or needs. You should obtain financial advice from your financial adviser tailored to your personal circumstances before making a decision.

Mercer Superannuation (Australia) Limited (MSAL) ABN 79 004 717 533 AFSL 235906 is the trustee of the Mercer Super Trust ABN 19 905 422 981. In this Guide, MSAL is called trustee, we, our or us.

Kogan Superannuation Pty Ltd ABN 58 631 662 710 (Kogan Superannuation) as an authorised representative (number 001276987) of MSAL, has worked together with MSAL to provide you with this product. Kogan Superannuation is a wholly owned subsidiary of Kogan.com Ltd ABN 96 612 447 293 (Kogan).

MSAL also uses other service providers including: Mercer Outsourcing (Australia) Pty Ltd (MOAPL) ABN 83 068 908 912 AFSL 411980, Mercer Investments (Australia) Limited (MIAL) ABN 66 008 612 397 AFSL 244385, Mercer Financial Advice (Australia) Pty Ltd (MFAAPL) ABN 76 153 168 293 AFSL 411766 and the insurer for Kogan Super, AIA Australia Limited (AIA) ABN 79 004 837 861 AFSL 230043 (Insurer). We have named these providers in this Guide and they have consented to being so named.

MSAL, MOAPL, MIAL and MFAAPL are wholly owned subsidiaries of Mercer (Australia) Pty Ltd (Mercer) ABN 32 005 315 917.

MERCER is an Australian registered trademark of Mercer (Australia) Pty Ltd (Mercer) ABN 32 005 315 917.

MSAL is responsible for the contents of this Guide and is the issuer of this Guide.

Kogan Superannuation, Kogan, MOAPL, MIAL, MFAAPL, Mercer or AIA are not responsible for the issue of, or any statements in this Guide, the PDS and the *Insurance Guide*.

The value of the investments in Kogan Super may rise or fall. Kogan Superannuation, Kogan, MSAL, MOAPL, MIAL, MFAAPL, Mercer or AIA do not guarantee the investment performance, earnings or the return of any capital invested in your account.

Where we use Customer in this Guide, the *Insurance Guide* and the PDS we mean a member of Kogan Super.

Updated Information

The information in this Guide, the PDS and the *Insurance Guide* that are part of the PDS may change.

You can get updated information that is not materially adverse at kogansuper.com.au.

We will tell you about changes that are materially adverse as required by law.

HOW TO CONTACT US

Helpline

Call the Helpline on **1800 517 212** or if calling from outside Australia **+61 3 91924431**, from 8am to 6pm AEST Monday to Friday.

Website

kogansuper.com.au

The website is available 24 hours per day, seven days per week (except for scheduled updates or maintenance).

Call the Helpline if you need help using the website.

By mail

Kogan Super
Locked Bag 20065
Melbourne VIC 3001

Keep your contact details up to date

We can only send you information if we have your current contact details.

We may send you Customer communications (including Customer statements and significant event notices that the law permits) by:

- Email (where we have your email address), and/or
- SMS (where we have your mobile number), and/or
- a link to our website so you can download them.

If we are unable to provide a particular communication in the manner described above we'll contact you to check your email details are up-to-date.

Simply update your communication preferences from your online account or call the Helpline. Log into your online account at kogansuper.com.au and visit the 'Personal Details' section to view and update your communication preferences.

WHO'S WHO

Kogan

Kogan offers a digital platform to consumers where they can purchase in demand goods and services. The Kogan brand is renowned for price leadership through digital efficiency.

Service providers appointed by us

We appoint a number of service providers to help us run Kogan Super. Our main service providers include an administrator, an investment consultant, a custodian and the Insurer.

For details about the custodian see mercersuper.com/documents
See the *Insurance Guide* for information about the Insurer.

Below are details about the administrator and investment consultant.

Administrator

Mercer Outsourcing (Australia) Pty Ltd (MOAPL) provides the following administration services to Kogan Super:

- administration of Customer records and unit holdings
- daily management of Kogan Super's operations including accounting
- preparing and/or authorising communication materials, including the content of kogansuper.com.au, and
- Helpline facilities.

Investment consultant

We have appointed Mercer Investments (Australia) Limited (MIAL) to advise on the selection, appointment, replacement and ongoing evaluation of investment managers through an implemented consulting arrangement.

BENEFITS AND FEATURES

We want to make it simple for you to make decisions about your super.

Our main features include:

- Choice of investment and insurance options.
- Low fees.
- Simple online tools to manage your super.
- When you join, we will generally send you the details of your super account and a welcome email. We will also send you regular information (including Customer statements and significant event notices) to show you how your super is doing.

By law we are required to make annual statements available to you which set out details about your membership in Kogan Super. We may also update you with:

- periodic magazines (including investment snapshots),
- quarterly investment reports (to keep you updated on the performance of investment markets), and
- the Mercer Super Trust Annual Report.

Log in online at kogansuper.com.au to:

- view your account balance,
- update your personal details,
- switch between investment options,
- add or update your preferred beneficiary nomination,
- manage your communications preferences, and
- search for other super accounts and consolidate them into your super account.

We will confirm the following to you:

- rollover amounts that you transfer into Kogan Super,
- changes in your personal details,
- benefit payments,
- beneficiary nominations,
- investment option changes,
- insurance arrangement changes, and
- full and partial exits.

Simple super advice

We can help you make key decisions about your superannuation, such as which investment or insurance option to choose. A financial adviser can provide you with limited financial advice over the phone at no additional cost to you. A financial adviser will prepare and send you a written statement of advice.

Financial advisers are able to assist Customers with enquiries such as:

- superannuation rollovers
- investment choice selections
- making additional contributions to your super versus paying down debt
- co-contributions
- spouse contribution splitting
- general advice on retirement strategies
- insurance selection
- salary sacrifice and personal voluntary contributions
- transition to retirement.

For more comprehensive advice, we can refer you to a financial adviser from Mercer Financial Advice (Australia) Pty Ltd. You can negotiate fees for this advice with your referred adviser.

You can stay with us no matter where you work

You can stay with us if you change jobs. This way, you can simplify your super by having it in one place and avoid paying multiple fees.

If you start a new job and are able to choose to have your employer's Superannuation Guarantee (SG) contributions paid into a super fund of your choice, you can nominate Kogan Super. Simply complete the *Super Choice Form* and give it to your new employer. You can access this form by logging into your online account at kogansuper.com.au and viewing the documents section of your online account. Your new employer can then pay your SG contributions into your Kogan Super account.

If any of your contact details change, you can simply update your details online so we can stay in touch with you.

You should also consider the impact of leaving or changing your job on any insurance cover you may have (including the cost of that cover). Refer to the *Insurance Guide* at kogansuper.com.au/documents for more information about insurance.

FEES AND COSTS

Additional explanation of fees and costs

Breakdown of fees and other costs table

This table shows the investment fee, the administration fee and the estimated ICR for each investment option. Each of these fees is described in more detail later in this section of the Guide.

Investment option	Investment fee (% per annum) ¹	Administration fee (% per annum of account balance) ^{1*}	Estimated ICR (% per annum) ^{1##}
Cash	0.10	0.33	0.02
Indexed Australian Listed Property	0.20	0.33	0.09
Indexed Diversified Shares	0.20	0.33	0.07
Enhanced Indexed Conservative Growth	0.24	0.33	0.10
Enhanced Indexed Growth	0.24	0.33	0.10

Note:

¹ From 1 July 2019, if your super account balance is less than \$6,000 at 30 June of any year, the total combined amount of administration fees, investment fees and indirect costs charged to you for the prior year is capped at 3% of your super account balance. Any amount charged in excess of the cap must be refunded. The cap will apply for the year ending 30 June 2020 and later years.

^{##} The estimated ICRs for each investment option are based on a reasonable estimate only of the indirect costs generally expected to apply to these investment options for the year ending 30 June 2020. The ICRs may vary from year to year. For more details see the 'Indirect Cost Ratio' section under the 'Additional explanation of fees and costs' section of this Guide.

* The administration fee includes an estimated expense allowance of 0.05% per annum.

Investment fee

Investment fees apply to each investment option and typically vary depending on the type of assets the option invests in and the style of management (for example, active or indexed).

Performance fees

We do not directly charge any performance fees. Accordingly, there are no performance fees included in the investment fees charged to you by us. However, performance related fees may be charged by underlying investment vehicles or managers of those vehicles which are included in the Indirect Cost Ratio (described below).

Indirect Cost Ratio (ICR)

What's included

Each investment option has an ICR which is predominantly made up of any indirect costs incurred by the underlying investment vehicles into which Kogan Super invests including but not limited to:

- performance related fees
- any expense allowance charged by any underlying investment vehicle or manager of those vehicles
- the net explicit transactional and operational costs (see 'Transactional and operational costs' later in this section), and
- over the counter derivative costs where derivatives are used for hedging and/or non hedging purposes.

Performance related fees

Where an underlying investment vehicle or manager is used to invest the assets of an investment option, they may charge a performance related fee. These fees are reflected in the unit price of the underlying investment vehicle and accordingly form part of the ICR of the relevant investment option.

Underlying investment vehicles or managers that charge a performance related fee will generally only apply those fees when performance is greater than an agreed target. Accordingly, performance related fees will generally only arise when higher returns, relative to a specified target for a particular manager, are achieved.

Calculation of the ICR

The ICR is generally calculated and deducted daily (from the underlying investment vehicles or the relevant investment options, as applicable) when unit prices are determined, and is therefore reflected in the value of your account balance.

The actual ICR for each investment option is determined at the end of each financial year. The Mercer Super Trust Annual Report provides the actual ICR that applied for each investment for that financial year.

The estimated ICRs for each investment option are set out in the 'Breakdown of fees and costs' table in this Guide. The ICRs for each investment option are based on a reasonable estimate only of the indirect costs generally expected to apply to these investment options for the year ending 30 June 2020.

The 'Estimated ICR ranges' table below gives you an estimate of the ranges of the future ICRs that are generally expected to apply for the individual investment options. These ranges do not act as limits or caps on the ICRs that may apply in the future as the ICRs may vary from year to year reflecting the indirect costs (if any) incurred by the underlying investment vehicles or managers.

Changes in the ICRs for a financial year may be disclosed through:

- kogansuper.com.au if the change is not materially adverse
- a notice to you when there is a materially adverse change to the ICRs.

Past fees and costs may not be a reliable indicator of future fees and costs.

Estimated ICR ranges

Investment option	Estimated range (% per annum of your account balance)
Cash	0.01 – 0.05
Indexed Australian Listed Property	0.05 – 0.15
Indexed Diversified Shares	0.02 – 0.10
Enhanced Indexed Conservative Growth	0.05 – 0.15
Enhanced Indexed Growth	0.05 – 0.15

Transactional and operational costs

Transactional and Operational Costs are the costs associated with trading to manage the investment strategy for each investment option.

Such costs are borne by Customers and may be additional to those fees and costs disclosed in the 'Fees and Costs' table in the PDS.

Ongoing transactional and operational costs include:

- Explicit costs, such as brokerage, settlement costs (including custody costs), clearing costs, stamp duty on an investment transaction, property operating costs (where applicable) and buy-sell spreads.
- Implicit costs, which are costs that include an assessment of the difference between the price paid for acquiring an asset and the price that would be payable if it were disposed of (bid/ask price assessment).

The net transactional and operational costs incurred for each investment option are equal to the total transactional and operational costs, less any costs recouped from the application of the buy-sell spread, if applicable (paid by transacting Customers). No part of any transactional and operational cost is paid to us or any investment manager as a fee and is not subject to GST. See 'Buy-sell spreads' later in this section for details.

For each of the investment options, the estimated costs for the year ending 30 June 2020 are set out in the table below.

Also shown are the estimated net explicit costs (i.e. those already in the ICR) and net implicit costs (i.e. those costs which are not already in the ICR) for each of the investment options for the year ending 30 June 2020.

Investment option	Estimated total transactional and operational costs (% per annum of your account balance)	Estimated costs recouped from the buy-sell spread (% per annum of your account balance)*	Estimated net total transactional and operational costs (% per annum of your account balance)	Estimated net transactional and operational costs disclosed in the ICR - also referred to as net explicit costs (% per annum of your account balance)	Estimated net transactional and operational costs not disclosed in the ICR - also referred to as net implicit costs (% per annum of your account balance)
Cash	0.01	0.00	0.01	0.00	0.01
Indexed Australian Listed Property	0.01	0.00	0.01	0.01	0.00
Indexed Diversified Shares	0.04	0.00	0.04	0.01	0.03
Enhanced Indexed Conservative Growth	0.06	0.00	0.06	0.01	0.04
Enhanced Indexed Growth	0.05	0.00	0.05	0.01	0.03

*Currently there are no buy-sell spreads applied to the investment options. However, any buy-sell spreads associated with the underlying investments are included within the net transactional and operational cost, as described above.

Buy-sell spreads may vary from time to time and we reserve the right to apply buy-sell spreads to any investment option in the future.

Past fees and costs may not be a reliable indicator of future fees and costs.

Buy-sell spreads

For some investment options, the entry price for the issue of units is different from the exit price for the redemption of those units. The difference between the entry and exit price is commonly called a buy-sell spread.

Currently, there are no explicit buy-sell spreads applied to the investment options. However, any buy-sell spreads associated with the underlying investments are included within the net transactional and operational cost, as described above.

Buy-sell spreads may vary from time to time and we reserve the right to apply buy-sell spreads to any investment option in the future.

Borrowing costs

Borrowing costs are any costs relating to a credit facility (loan) used as part of the overall investment strategy. Borrowing costs are an additional cost to you and may vary from year to year.

Currently, there are no borrowing costs applied to the investment options.

Other fees

The following fees may be additional to the fees and costs shown in the *PDS*.

Distribution fee

For its services as authorised representative, Kogan Superannuation is paid a monthly fee of up to 0.12% per annum of the assets in Kogan Super. This fee is paid from the fees we deduct from your account (so it is not a separate charge to your account).

Family law fees – splitting fee

A charge of \$88.00 will apply if your super is subject to an agreement or court order that splits your super between you and your former spouse. This charge is generally split equally between you and your former spouse.

Family law fees – request for information

A charge of \$110.00 will also apply for each information request.

Insurance fees

Insurance premiums are deducted monthly from your super account if you have insurance cover. See the *Insurance Guide* for applicable insurance premiums.

MOAPL receives 16.50% inclusive of GST (15% net of GST) of the premiums charged by the Insurer as a fee for administering Kogan Super's insurance arrangements including underwriting and claims processing. The Insurer pays this fee and it is built into the premium rates described in the 'Insurance in Your Super' section of the *Insurance Guide*.

Advice fees

As a Customer, you have access to a range of financial advice.

You can negotiate advice fees with your Mercer financial adviser who is an authorised representative of MFAPPL. Fees for advice related to your super in Kogan Super can be conveniently deducted from your account balance.

You can take advantage of the ability to deduct advice fees from your super account as long as you have a minimum of \$500 in your super account after the fee is deducted for any financial advice.

You can also make similar arrangements with other financial advisers.

To do so, you will need to complete the appropriate form by logging into your online account at kogansuper.com.au.

If an advice fee is to apply to you or you wish to vary the amount of an existing advice fee, you will need to tell us by completing the appropriate form.

Call the Helpline if you wish to find out more about financial advice services or speak to a Mercer financial adviser.

Additional fees that can arise

We may incur various costs, charges and expenses (outgoings) in respect of Kogan Super, whilst acting as trustee. These can include legal expenses and the payment of taxes and charges.

Expense recovery fee

Under the terms of the governing rules, we may recover these outgoings from Kogan Super. Or we may instead charge an expense recovery fee of up to 1.00% per annum on the value of your account balance. We do not currently charge an expense recovery fee, but reserve the right to do so in the future.

Where we start charging an expense recovery fee, the costs applicable to the relevant investment option may increase. We will notify you, at least 30 days before any increase.

Fee changes

We have the right to increase fees at any time, without your consent. Fees may increase due to changes in economic conditions, or Government regulations, supplier charges increases, or a substantial reduction in the size of Kogan Super. We will give you at least 30 days notice of any increase in fees.

Where there is a materially adverse change to the fees the *PDS* and this Guide will be updated. Where the change is not materially adverse, the change will be detailed on kogansuper.com.au.

GST

The GST disclosures in this Guide are of a general nature only.

GST is not payable on units purchased in the Mercer Super Trust. However, fees payable in respect of the management of the Mercer Super Trust are subject to GST, as described below.

GST applies to all fees charged to the Mercer Super Trust. Generally, the Mercer Super Trust cannot claim full input tax credits in respect of these fees, but will usually be entitled to reduced input tax credits (currently up to 75% of the GST paid) in respect of some of these fees. As a result, the fees payable to us including GST are higher than those disclosed in this Guide.

Any fees payable to us as set out in this Guide approximate the net cost of these fees (after GST) and assume that reduced input tax credits are available.

Tax and your super

Refer to 'How Super is Taxed' later in this Guide for more details about super tax.

Further information

We do not retain for our own use any profit made on the netting of transactions (even though the governing documents permit us to do so) and we have no intention to do so in the future.

We may retain for our own use any interest earned on contributions tax from the date we deduct an amount for this tax to the date we pay it to the Australian Taxation Office (ATO).

Defined fees

Definitions of the various fee types referred to in this section are listed below:

Activity fees

A fee is an **activity fee** if:

- a. the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
 - i. that is engaged in at the request, or with the consent of a Customer; or
 - ii. that relates to a Customer and is required by law; and
- b. those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

Administration fees

An **administration fee** is a fee that relates to the administration or operation of Kogan Super and includes costs that relate to that administration or operation, other than:

- a. borrowing costs; and
- b. indirect costs that are not paid out of Kogan Super that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee or in an interposed vehicle or derivative financial product; and
- c. costs that are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Advice fees

A fee is an **advice fee** if:

- a. the fee relates directly to costs incurred by the trustee of Kogan Super because of the provision of financial product advice to a Customer by:
 - i. a trustee of Kogan Super; or
 - ii. another person acting as an employee of, or under an arrangement with, the trustee of Kogan Super; and
- b. those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

Buy-sell spreads

A **buy-sell spread** is a fee to recover transaction costs incurred by the trustee of Kogan Super in relation to the sale and purchase of assets of Kogan Super.

Exit Fees

An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.

Indirect Cost Ratio

The **Indirect Cost Ratio** (ICR), for an investment option offered by Kogan Super, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of Kogan Super attributed to the investment option.

Note: A fee deducted from a Customer's account or paid out of Kogan Super is not an indirect cost.

Refer to 'Indirect Cost Ratio' earlier in this section of this Guide for more details.

Insurance fees

A fee is an **insurance fee** if:

- a. the fee relates directly to either or both of the following:
 - i. insurance premiums paid by the trustee of Kogan Super in relation to a Customer;
 - ii. costs incurred by the trustee of Kogan Super in relation to the provision of insurance for a Customer; and
- b. the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the Customer that is based on the performance of an investment rather than the realisation of a risk; and
- c. the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.

Investment fees

An **investment fee** is a fee that relates to the investment of the assets of Kogan Super and includes:

- a. fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees*); and
- b. costs that relate to the investment of assets of Kogan Super, other than:
 - i. borrowing costs; and
 - ii. indirect costs that are paid out of Kogan Super that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of Kogan Super or in an interposed vehicle or derivative financial product; and
 - iii. costs that are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

* There are currently no performance fees included in the investment fees. This is because the trustee does not directly charge or incur any performance fees. Where an external investment trust or manager (that is used to invest the assets of an investment option) charges a performance related fee, these fees form part of the ICR of the relevant investment option. Refer to the 'Performance fees' section earlier in this Guide for further details.

Switching fees

A **switching fee** is a fee to recover the costs of switching all or part of a Customer's interest in Kogan Super from one investment option or product in Kogan Super to another.

CONTRIBUTIONS

This section is about contributions to super.

Contributing to your super

Our ability to accept contributions from you or on your behalf is governed by contribution rules. These rules also affect the amount of tax you may pay on contributions. Refer to the 'Concessional and non-concessional limits' section in this Guide for further information.

The following table gives you a brief summary about the types of contributions, who can contribute to your account and payment methods. See the 'How super is taxed' section of later in this Guide to find out more about tax and contributions limits.

Type of contributions	Who can contribute	Payment method
Employer contributions (one-off or regular). Includes the mandated minimum Superannuation Guarantee (SG) that an employer must pay.	Your employer on your behalf	SuperStream [^] compliant method (e.g. clearing house or payroll solution).
Personal voluntary (one-off or regular) Additional payments you make to save for retirement or the First Home Super Saver Scheme (FHSSS) [#] . These can come from your post-tax salary or other sources such as downsizer contributions [#] . Some personal contributions may be deductible.	You	BPAY [®]
Salary sacrifice An arrangement where a portion of your pre-tax salary is paid directly into Kogan Super, to save for retirement or the FHSSS [#] . This can have tax advantages for some [*] .	Your employer, with your consent from your pre-tax salary	SuperStream [^] compliant methods (e.g. Clearing house or payroll solution).
Spouse (one-off or regular) Your spouse may contribute on your behalf.	Your spouse (including a de facto spouse of the same or opposite sex)	BPAY [®]
Rollovers and transfers[†] Moving of monies from one super fund to another. You can rollover your other super fund account balance at any time - for example, using our 'Find My Super' tool via your online account.	You	Using our 'Find My Super' tool via your online account or via SuperStream compliant methods.
Super Guarantee credits Credits that represent super contributions owed to you from a previous employer.	Via the Australian Taxation Office	We can receive these on your behalf at any time by Government process.
Co-contributions If you make personal voluntary (after tax) contributions and are eligible, the Government will also make a super co-contribution up to certain limits.	Government	We can receive these on your behalf after you have submitted your tax return and we have reported your contributions to the ATO.

[^] Super Stream is the Government mandated way for employers to make contributions to super funds.

[#] For more details on Downsizer contribution and FHSSS refer to the *Contributions and Accessing Your Super* fact sheets available from kogansuper.com.au/documents.

^{*} The tax advantages will depend on your personal circumstances so we recommend you obtain professional financial advice. Salary sacrifice contributions will count as income when assessing eligibility for Government co-contributions, spouse contribution rebates, tax deductible customer contributions or welfare benefits.

[†] Rollovers and transfers don't count as contributions under superannuation legislation however we've shown them here to illustrate the many different ways you can grow your super account.

[®] Registered to BPAY Pty Ltd ABN 69 079 137 518

What your employer can contribute into your super

By law, your employer has to pay a minimum amount into super called the Superannuation Guarantee (SG). Your employer can satisfy this obligation by contributing on your behalf to Kogan Super.

The SG is 9.50% of Ordinary Time Earnings (OTE) where OTE is capped at the maximum contribution base. The maximum contribution base is currently \$55,270 a quarter for the year ending 30 June 2020 and is indexed on each 1 July. The SG, as a percentage of OTE, is currently scheduled to increase as set out in the table below:

Period	Percentage of OTE
From 1 July 2021 to 30 June 2022	10.00%
From 1 July 2022 to 30 June 2023	10.50%
From 1 July 2023 to 30 June 2024	11.00%
From 1 July 2024 to 30 June 2025	11.50%
From 1 July 2025	12.00%

OTE is generally remuneration including regular salary or wages, any over-award payments, shift allowances, bonuses and commissions. It generally does not include overtime payments or benefits subject to fringe benefits tax.

The SG is the amount the employer must provide for each employee, not a minimum amount to be contributed to each fund. Your employer may provide the SG through more than one fund.

There are some circumstances where your employer is not required to pay the SG.

Refer to kogansuper.com.au for more information on how your employer can contribute to Kogan Super.

Contribution splitting

Customers can split their super contributions with their eligible spouse (see below) and transfer the eligible contributions to an account in the name of their eligible spouse in another superannuation fund.

An eligible spouse must not have permanently retired (if past their preservation age i.e. the age at which your preserved super can be paid to you in cash if you permanently leave work) or reached age 64. An eligible spouse includes:

- your husband or wife
- another person (whether of the same sex or not) with whom you are in a registered relationship, or
- another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

You will generally be able to request a contribution split of up to 85% of concessional contributions as long as you maintain an account balance of at least \$500.

Any contributions that you split will continue to be counted towards your concessional contribution limit.

Contributions that can't be split

You cannot split:

- contributions over the concessional contribution limit, untaxed contributions including personal voluntary contributions (but excluding contributions for which you have told us that you are claiming a tax deduction or salary sacrifice contributions), eligible spouse contributions and amounts contributed by the Government
- amounts rolled over or transferred into Kogan Super
- lump sum payments from an overseas super fund, and
- contributions that legislation restricts or prohibits from being split. You will be advised when you request a split if this applies to you.

When you can split contributions

You can request to split all or part of a previous financial year's contributions i.e. contributions from 1 July to 30 June, once that financial year is over. You have up to 12 months from the end of that financial year to request a contribution split.

If you leave Kogan Super before the 12 month period is over, we must receive your request to split contributions on or before the time that your super is paid out, rolled over or transferred to another super fund.

You may also be able to split contributions made in the financial year of your super benefit. You will need to provide your request to split contributions to us on or before the time that your super is paid out, rolled over or transferred to another super fund. You can only make one split of contributions per financial year.

To request a contribution split, you must complete the *Contributions Splitting Application* form. Call the Helpline to obtain this form.

We recommend you seek advice from a financial adviser before making any decision about contribution splitting.

Tax on contributions

Tax may be payable on super contributions made by you or on your behalf, or where those contributions exceed certain annual limits.

See later in this Guide for more details about 'How Super is Taxed'.

Consolidating your accounts

You may move super money from other funds into Kogan Super. If you've had other jobs, you may have multiple super accounts. You can roll all your super accounts into your Kogan Super account. This could improve your super investment overall as you'll only be paying one set of fees and handling one set of paperwork. You should discuss the benefits of rollovers with a licensed, or appropriately authorised, financial adviser.

If you haven't already consolidated your super accounts during the application process, you can also search for and consolidate your super accounts by using our 'Find My Super' tool in your online account at kogansuper.com.au or we can help you roll in your super over the phone. We will contact your other super fund(s) for you. Call our Helpline if you need help.

Generally, there's no charge for receiving money rolled in from other funds, although you should check with your other funds to see if there are any withdrawal or exit fees.

Importantly, you should also consider the impact of leaving a fund on any insurance cover you have, including the amount and cost of cover.

If you roll in preserved money, it stays preserved in Kogan Super. For more details on preservation refer to the Super and Preservation section later in this Guide.

Tax offset

You may be eligible for the Low Income Superannuation Tax Offset (LISTO). The level of LISTO depends on your income and your total concessional contributions for the financial year. For more information, refer to the *Government Contributions* fact sheet available at kogansuper.com.au/documents.

Government Co-contribution

You may be eligible for the Government co-contribution if you make personal after-tax contributions for which you have not claimed a tax deduction to a super fund. The level of Government co-contribution depends on your income and the undeducted personal after-tax contributions you make during the financial year.

For more information, refer to the *Government Contributions* fact sheet available at kogansuper.com.au/documents.

When we can't accept contributions

We can't accept contributions made for or by you:

- if you have not provided your TFN (unless the contribution has been made by your employer, or
- if you have not met the work tests as set by the Government (only applicable from age 65, not applicable to Downsizer contributions).

If you have not met this condition, any contributions received will be returned to you, or the person or organisation (including where applicable your employer) which contributed. The returned amount will generally not form part of your account balance.

For more details, refer to the *Contributions* fact sheet available at kogansuper.com.au/documents.

Can't remember where all your super is?

Track it down using our 'Find My Super' tool via your online account at kogansuper.com.au.

HOW WE INVEST YOUR SUPER

This section provides important information about investment options.

When you join Kogan Super, we will email you details of your super account. You will then be able to log into your online account and change how your super is invested. You can change your investments, by selecting investment options from our investment menu.

You can choose from a range of investment options in Kogan Super, which have different investment styles or asset classes.

It is important to review your investment selection regularly.

We may add, remove or alter investment options. We will tell you about any changes.

We recommend you seek advice from a financial adviser before choosing your investment options.

Investment Strategy

At any time, you can select or change where you would like your contributions that are made to your super account to be invested. See 'Switching investment options' later in this section for more details about how you can change your investment options.

Your investment strategy for future contributions will apply to all future contributions including rollovers from other super funds and all other cashflows including fees, insurance premiums and tax.

Switching investment options

You can direct your future contributions to a different investment option or a combination of investment options. You can make this switch by logging into your online account at kogansuper.com.au.

If you change or switch options, it's important to specify whether the change or switch will apply to:

- your current account balance,
- your investment strategy for future contributions, or
- both of the above.

Any switch request received before 4pm AEST will be processed using that days unit price. Switch request received after 4pm AEST, on weekends and Melbourne public holidays will be processed using the unit price for the following business day.

See 'Units and unit pricing' for details on which unit price applies when changing or switching investment options.

No Guarantees

There are no guarantees that investment returns will be positive or that you will be able to maintain the value of original capital. Your account balance will move up and down in value depending on movements in the value of the underlying investments in your chosen investment option(s).

You should ask your financial adviser for advice if you are unsure about your investment choice.

Low or negative investment returns may affect your super benefit. That means that your super benefit may be less than the amount of contributions paid into your super account. Tax, fees and charges will also reduce your benefit.

You can get up to date returns for the investment options by logging in to your account at mercersuper.com/documents

Refer to the 'Understanding Investment Risks' section in this Guide for more information.

Asset Classes

Your super can be invested in various asset classes, depending on your investment option(s). Refer to the 'Investment options in detail' section for details of the assets each investment option invests in (referred to as the asset allocation), and their percentage of growth investments and defensive investments. Growth and defensive investments are explained in the 'Key terms explained' section of this Guide.

An explanation of the asset classes used within the investment options is provided in the table below.

Asset class	Description
Australian Shares	Investments in Australian companies listed on the Australian Stock Exchange (ASX) or equity based trusts, derivatives or unlisted Australian based equity type investments. It may include a small exposure to companies listed outside the ASX.
International Shares	<p>Investments in companies listed on securities exchanges around the world. These investments may be hedged or unhedged to manage movements in exchange rates, which can have an impact on the value of investments (up or down).</p> <p>Investments in international shares may be in:</p> <ul style="list-style-type: none"> • developed markets, which are those countries that are among the most sophisticated in terms of economy and capital markets. • emerging markets, which includes countries that typically have a lower standard of living and less developed infrastructure and financial markets.
Real Assets	<p>Real assets include investments in property, infrastructure and natural resources such as timber. These assets may be Australian or international and listed or unlisted.</p> <p>Property investments include, but are not limited to, office buildings, shopping centres, and industrial estates.</p> <p>Infrastructure investments are investments in long-term assets required for major economic and social needs such as airports, tunnels, bridges, toll roads, pipelines and utilities.</p>
Alternative Assets	Alternative assets comprise of investments that do not fit within other asset classes. They may include investments in hedge funds, private equity, mezzanine debt and insurance linked strategies. Alternative investments may have growth and/or defensive characteristics.
Growth Fixed Interest	Growth fixed interest investments target a higher return by investing in issuers that may carry a higher degree of credit risk or illiquidity relative to defensive fixed interest and cash investments. Generally the exposures will be to non-investment grade corporate bond issuers, or sovereign bond issuers in emerging markets, which may also carry emerging market currency risks.
Defensive Fixed Interest and Cash	<p>Defensive fixed interest investments generally provide a regular income stream with the repayment of capital expected at the end of the term. These investments are generally considered defensive as they are predominantly invested in highly rated sovereign bond issuers in developed markets or highly rated investment grade corporate issuers.</p> <p>Cash includes short-term interest bearing investments and fixed term interest bearing investments.</p>

Investment philosophy and approach

Investment objectives and strategy

Each investment option has a specific performance objective and investment strategy. Our investment options are reasonably likely to meet their objectives; however, there is no guarantee that a particular objective will be met over a particular time period.

Our approach for each option's investment strategy is to select a mix of investments that support the option's objective. We may change the investment objective and strategy for each investment option to ensure there is a reasonable probability we deliver on the objective. The actual asset allocation may fall outside the stated ranges for an option during certain times such as extreme market conditions.

We use formal quarterly analysis to monitor the performance of investment options against their objectives and an annual investment health check to help us assess whether we need to make any changes. We will provide you with information about any significant changes to the features of the investment options.

Manager research and selection

We have appointed Mercer Investments (Australia) Limited (MIAL) to advise on the selection, appointment, replacement and ongoing evaluation of investment managers.

MIAL's significant scale in researching managers globally provides it with access to some of the best ideas from more than 5,000 investment managers around the world.

Some of the investment options adopt a multi-manager approach. This approach involves selecting optimal combinations of investment managers to achieve exposure to a range of investment management styles by leveraging its global research network. This is designed to maximize the potential of the investment options to produce consistent performance throughout market cycles. For passive or indexed sector options, a single investment manager may be used.

We may remove, replace, or appoint investment managers for investment options at any time.

Investing Kogan Super's assets

We invest Kogan Super's assets in:

- funds managed by MIAL including but not limited to the Mercer Multi-Manager Funds (MMFs) or the Mercer Investment Funds (MIFs), which in turn have investments with underlying investment managers. The assets may also be invested in funds or investment vehicles managed by other Mercer related entities,
- funds managed by investment managers, and
- a range of investments such as securities, derivatives and cash managed via mandates held with professional investment managers.

MIAL is the responsible entity of the MMFs and MIFs and appoints investment managers to manage the assets of the MMFs and MIFs either directly or via external investment vehicles.

The external investments for Kogan Super including the underlying investments of the MMFs and MIFs are generally held by an external custodian.

Units and unit pricing

What are units?

You are allocated a number of units, which represent the assets of each investment option. The assets of each investment option are divided into units of equal value. Each unit has a regularly changing price allocated to it.

The unit price of a whole unit (one unit), reflects the asset value of the investment option divided by the number of units on issue for that investment option at the relevant time. We make allowances for any transaction and operational costs (see 'Transactional and operational costs' in 'Additional explanation of fees and costs' section of the Guide for more details).

Each time there is a contribution, we allocate units in the relevant option at the entry price. Similarly, when there are payments made, we redeem units from the relevant investment option at the exit price. Payments include super benefits, fees, insurance premiums or tax.

The entry price for contributions, rollovers or transfers will generally be calculated after your transaction is received and validated (which may be different to the last available unit price at the time of your transaction). The exit price used for super benefits, fees, premiums, tax and expenses is generally the price available at the time the relevant transaction is processed.

Units are not transferrable. You can see the number of units you hold in your investment options by logging into your account at kogansuper.com.au or by checking your statements.

We allocate units after we receive all the necessary information to invest.

The issue (or redemption) of units may be suspended if we believe the entry (or exit) price of the units cannot be calculated in a manner fair to all Customers holding those units. Also the redemption of units may be suspended if we are unable to realise sufficient funds to satisfy a redemption request from the sale of the underlying assets.

What is Unit Pricing?

Each unit has a regularly changing price allocated to it, which is generally calculated daily (except on weekends and Melbourne public holidays). Unit prices may rise or fall depending on fluctuations in the underlying value of investments in each investment option. We have a Unit Pricing Policy governing the calculation of unit prices, and our unit prices are independently verifiable.

Investment returns based on unit prices are likely to differ from the underlying manager's actual return due to timing differences and differences in fees and costs.

Unit pricing and changes to investment options

If you change investment options, the unit price for the switch will generally be calculated after your request is received and validated, which may be different to the last available unit price at the time of your transaction.

How assets are valued?

Unless we determine otherwise, the value of the underlying assets of the investment options will be based on market values determined by an external custodian or investment manager.

When valuing assets, we make an estimate of the tax liability due that has not yet been paid on investment income and capital gains, both realised and unrealised.

Sustainable investment and ESG considerations

We build sustainability principles into our investment options to help protect and enhance the value of your super. We look beyond traditional financial factors to consider the potential investment impacts of corporate governance as well as environmental and social issues – such as an aging population, climate change and human rights.

We believe a sustainable investment approach is more likely to create and preserve long-term investment capital and more specifically that:

- Environmental, Social and Corporate Governance (ESG) factors, including labour standards can have a material impact on long-term risk and return outcomes and these should be integrated into the investment process.
- Taking a broader perspective on risk, including identifying longer-term sustainability themes and trends, is likely to lead to improved risk management and new investment opportunities.
- Climate change poses a systemic risk and investors should consider the potential financial impacts associated with the transition to a low-carbon economy and the physical impacts.
- Active ownership (or stewardship) helps the realisation of long-term value by providing investors with an opportunity to enhance the value of companies and markets.
- Accessing long-term streams of returns, rather than focusing on short-term price movements, can add value.

This combined approach to the integration of ESG considerations and investment stewardship is captured as a sustainable investment approach. We believe sustainable investment principles can be applied across asset classes to varying degrees. The investment managers appointed for these options are:

- Encouraged to consider ESG factors, such as those listed in the table below, in assessing investment risk and opportunities, as relevant to the type of investment; and
- Required to exclude investments in companies that manufacture tobacco products and controversial weapons.

For more information, refer to the trustee’s Sustainable Investment Policy, available at mercercsuper.com/documents

ESG integration

Investment managers are encouraged to consider the following relevant ESG factors, among others, when assessing investment risk and opportunities.

Environmental	Social	Governance
<ul style="list-style-type: none"> • Climate change • Water • Waste and pollution • Biodiversity 	<ul style="list-style-type: none"> • Health and safety • Labour standards (including in the supply chain) • Human rights and community impacts • Demographics / consumption 	<ul style="list-style-type: none"> • Board structure, diversity and independence • Remuneration that is aligned with performance • Accounting and audit quality • Anti-bribery and corruption

We believe that principles of active ownership and investment stewardship are also of value in the investment process. For that reason, proxy voting and engagement around material ESG issues are incorporated throughout our investment decision making and ownership practices.

Understanding investment risks

All investments, including super, carry some risks. Investment options each have different levels and types of risks, depending on the assets they invest in. You can help balance risk by choosing investment options across different asset classes, regions and investment managers.

Investment risk is generally used to describe the risk of an investor getting back less than they put in. Taxes, expenses and low or negative investment returns can also have an impact on investment risk in super.

Generally, assets with the highest long-term return also carry the highest level of short-term risk. Returns for each investment option will vary and future returns may be different to past returns.

Your investment could rise or fall in value or produce a return that is less than expected. Rises and falls in value can happen quickly and for many reasons.

The types of investment risks that may affect investments in include:

- **Counterparty risk** – the risk that a counterparty does not meet its contractual obligations, for example, defaulting on financial obligations under a total return swap or a foreign currency forward contract.
- **Credit risk** – the risk that a debt issuer may default on payment of interest or principal.
- **Currency risk** – the risk that overseas investments may be affected as a result of foreign currencies falling or rising in value relative to the Australian dollar.

- **Derivatives risk** – the risk that while derivatives are often used to manage risks in a portfolio, exposure to derivative instruments may increase the risks in a portfolio or expose a portfolio to additional risks. These risks include the possibility a position is difficult or costly to reverse or there is an adverse movement in the asset, interest rate, exchange rate or index underlying the derivative. Refer to the ‘Use of derivatives’ section later in this this Guide.
- **Individual asset risk** – the risk associated with individual assets within a particular asset class.
- **Inflation risk** – the risk that an investment may not maintain its purchasing power due to increases in the price of goods and services.
- **Investment manager risk** – the risk that a particular investment manager may underperform (e.g. their view on markets could be wrong, their investment style could be out of favour or they could lose key investment personnel).
- **Liquidity risk** – the risk you will be unable to redeem your investment at the time you choose.
- **Market risk** –the risk of adverse moves in the financial markets negatively impacting the value of an investment.
- **Political risk** –the risk that domestic and international political events negatively impact the value of an investment.
- **Securities lending risk** – the risks associated where securities are loaned to third parties in order to provide greater returns. Some of the investment options may be indirectly exposed to this risk via their underlying investment vehicles. Where an investment option is indirectly exposed to securities lending, there is a risk that the borrower may become insolvent or otherwise become unable to meet its loan obligations.
- **Timing risk** – the risk that money is invested at higher market prices than those available soon after. Alternatively, it can also mean the risk, at the date of redemption, your investments are redeemed at lower prices than those recently available or may have been available soon after.

Managing risks

We aim to appropriately manage investment risks using a number of approaches. This includes offering you a number of investment options, allowing you to select an option, or combination of options, to suit the time you expect to hold your investment.

We and the investment consultants consider investment risks in constructing the investment options and aim to help manage those risks primarily through diversification and by using some or all of the following:

- investing with a number of different investment managers (to reduce investment manager risk)
- investing in a number of individual securities within each asset class (to reduce individual asset risk, liquidity risk and credit risk)
- where applicable, investing across different asset classes (to reduce market risk, inflation risk and liquidity risk)
- where applicable, investing across different countries (to reduce political risk, inflation risk, liquidity risk and currency risk)
- securities lending risk is managed by full collateralisation of loans and the appointment of an experienced securities lending agent and oversight and monitoring agent to administer and monitor the program.

We recommend you seek advice from a financial adviser before making an investment decision.

Use of derivatives

The investment managers appointed by us may use derivatives to help manage risk (e.g. to hedge part of an international currency exposure).

Derivatives, such as futures or options, are investment products whose value is derived from one or more underlying assets. The value of a share option, for example, is linked to the value of the underlying share.

Derivatives are used to assist in the efficient management of the portfolios (e.g. to quickly and effectively adjust asset class exposures and for rebalancing purposes) and to manage risk (e.g. for currency hedging). Losses from derivatives can occur (e.g. due to market movements).

Derivative risk is managed by considering the risks and controls set out in the investment managers’ Derivative Risk Statements, where applicable and adherence to the Derivatives Policy for Mercer funds.

Standard Risk Measure

The Standard Risk Measure (SRM) is the estimated number of negative annual returns in any 20 year period. It is a tool to help you compare investment risk across investment options. The SRM is based on industry guidance and is not a complete assessment of investment risk. It does not take into account:

- what the size of a negative return could be
- if the size of a positive return will be enough to meet your objectives, or
- the impact of administration fees and tax on the likelihood of a negative return.

You should check you are comfortable with the risks and potential losses associated with your chosen investment option(s).

The seven risk labels of a standard risk measure are listed below.

Risk label	Estimated number of negative annual returns over any 20 year period
Very high	6 or more
High	Between 4 and 6
Medium to high	Between 3 and 4
Medium	Between 2 and 3
Low to medium	Between 1 and 2
Low	Between 0.5 and 1
Very low	Less than 0.5

Risk labels are not a guarantee of the number or frequency of negative annual returns for an investment option.

INVESTMENT OPTIONS IN DETAIL

The tables below can help you understand the asset classes (and their risk/return profile). You can change your selected investment options at any time via your online account.

Cash

Description

Invests mainly in cash. It is designed for Customers who want no exposure to growth assets and can tolerate a very low level of risk over one year or less.

Objective

To maintain the invested capital and to achieve a return above that available on bank bills as measured by the Bloomberg AusBond Bank Bill Index on an annual basis.

Standard risk measure

Very low

Minimum suggested timeframe

One year or less

Asset allocation

Growth / Defensive benchmark

Indexed Australian Listed Property

Description

Invests mainly in Australian Listed Property. It is designed for Customers who want exposure to growth assets and can tolerate a very high level of risk over ten years.

Objective

To meet the benchmark return over the medium to long term.

Standard risk measure

Very high

Minimum suggested timeframe

Ten years

Asset allocation

Growth / Defensive benchmark (ranges shown in brackets)

Indexed Diversified Shares

Description

Invests mainly in Australian and international shares. International currency exposure may be hedged. The option takes an indexed investment approach. It is designed for Customers who want exposure to growth assets and can tolerate a high level of risk over ten years.

Objective

To meet the benchmark return over the medium to long term.

Standard risk measure

High

Minimum suggested timeframe

Ten years

Asset allocation

Growth / Defensive benchmark (ranges shown in brackets)

GROWTH INVESTMENTS 0% DEFENSIVE INVESTMENTS 100%



Asset Class	Range %	Benchmark %
Cash		100

GROWTH INVESTMENTS 100% DEFENSIVE INVESTMENTS 0% (90% - 100%) (0% - 10%)



Asset Class	Range %	Benchmark %
Australian Listed Property	90-100	100
Cash	0-10	0

GROWTH INVESTMENTS 100% DEFENSIVE INVESTMENTS 0% (90% - 100%) (0% - 10%)



Asset Class	Range %	Benchmark %
Australian Shares	40-70	50
International Shares	40-70	50
Cash	0-10	0

Enhanced Indexed Conservative Growth

Description

Invests across most asset classes but mainly in defensive assets. The option predominantly takes an indexed investment approach. It is designed for Customers who want exposure to mainly defensive assets and can tolerate a medium level of risk over three years.

Objective

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1% per annum over rolling three year periods.

Standard risk measure

Medium

Minimum suggested timeframe

Three years

Asset allocation

Growth / Defensive benchmark (ranges shown in brackets)

GROWTH INVESTMENTS 34%
(15% – 55%)

DEFENSIVE INVESTMENTS 66%
(45% – 85%)



Asset Class	Range %	Benchmark %
Australian Shares	0-30	14
International Shares	0-30	16
Real Assets	0-25	4
Alternative Assets	0-10	0
Growth Fixed Interest	0-10	0
Defensive Fixed Interest & Cash	50-80	66

Enhanced Indexed Growth

Description

Invests across most asset classes but mainly in growth assets. The option predominantly takes an indexed investment approach. It is designed for Customers who want exposure to mainly growth assets and can tolerate a high level of risk over five years.

Objective

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3% per annum over rolling five year periods.

Standard risk measure

High

Minimum suggested timeframe

Five years

Asset allocation

Growth / Defensive benchmark (ranges shown in brackets)

GROWTH INVESTMENTS 72%
(50% – 90%)

DEFENSIVE INVESTMENTS 28%
(10% – 50%)



Asset Class	Range %	Benchmark %
Australian Shares	15-45	30
International Shares	20-50	34
Real Assets	0-30	8
Alternative Assets	0-10	0
Growth Fixed Interest	0-10	0
Defensive Fixed Interest & Cash	15-45	28

KEY TERMS EXPLAINED

Active investment approach

Managers of investment options with an active approach aim to perform better than the market overall.

Asset allocation

This refers to the allocation between the various asset classes (e.g. shares, fixed interest and property) of an investment option. It also includes the growth/defensive target allocation of the investment option.

Asset class

Type of asset that share common features, predominately its potential return and volatility. The main asset classes are shares, property, cash and bonds.

Benchmark and ranges

The benchmark is the target and long-term asset allocation of the investment option. Factors such as the trustee's assessment of market valuations may cause the actual asset allocation mix to vary from the benchmark, but it will generally stay within the asset allocation ranges.

Capital markets

The part of the financial markets concerned with raising capital by dealing in shares, bonds and other long term investments.

Consumer Price Index (CPI)

CPI is a measure of the rate of inflation. In Australia, it's based on a selection of household goods and services.

Corporate Bonds

A corporate bond is a debt security issued by a corporation. Corporate bonds are typically classified into two main groups, investment grade and non-investment grade depending on their credit rating and likely risk of default. Non-investment grade corporate bonds have a lower credit rating than investment grade bonds and as such are considered to be of higher risk than investment grade bonds.

Defensive investments

Defensive investments tend to produce lower but more stable long-term returns than growth investments. Defensive investments include:

- Cash
- Defensive fixed interest
- Growth fixed interest - 50% of any allocation to growth fixed interest is classified as a defensive investment
- Real assets –
 - Direct property - 50% of any allocation to direct property is classified as a defensive investment
 - Unlisted infrastructure - 30% of any allocation to unlisted infrastructure is classified as a defensive investment.
- Alternative assets - 50% of the allocation to multi-asset funds and hedge funds is classified as a defensive investment.

Growth investments

Growth investments have the potential to produce higher returns over the long-term (when compared to defensive investments) but are also likely to experience higher volatility (ups and downs) in performance from year to year. Growth investments include:

- Australian shares
- International shares
- Growth fixed interest - 50% of any allocation to growth fixed interest is classified as a growth investment
- Real assets - including property, infrastructure and unlisted real assets (50% of unlisted (direct) property and 70% of unlisted infrastructure is classified as growth)
- Alternative assets, including private equity, multi-asset funds and hedge funds (50% of the allocation to multi-asset funds and hedge funds is classified as a growth investment).

Hedging

Hedging generally refers to the process of protecting investments or reducing the risk of a loss. For example, the value of international investments is affected by changes in the value of a foreign currency relative to the Australian dollar. If the foreign currency falls in value relative to Australian dollar, then international investments reduce in value. Currency hedging is where investment managers use various techniques to minimise the effect of currency movements on international investments.

Indexed investment approach

Investment options with an indexed approach (sometimes called a passive approach) aim to perform in line with the overall market but may have some exposure to active management.

International

Investments in countries other than Australia.

Minimum suggested timeframe

This is the minimum time you should consider holding your investment in an investment option. This is a guide only.

Multi-manager investment approach

More than one specialist manager may be appointed to manage assets in each asset class, sector or investment style within the investment options.

Objectives

These identify the type of return the option aims to achieve for investors. The objectives are sometimes stated in terms of a particular named index, e.g. the Bloomberg AusBond Bank Bill Index, or a target that relates to CPI.

Please note the objectives of any particular investment option should not be treated, or relied upon as a forecast, indicator or guarantee of any future returns or performance for that option. The value of investments may rise and fall, in any of the options.

Portfolio

Range of investments across a group of asset classes, managed together as a 'portfolio' to achieve a single performance objective.

Shares

A share is an investment that represents part ownership of a company.

PAYING YOUR BENEFITS

This section explains some of the regulations about the payment of your super benefit.

Super and preservation

Government legislation restricts access to your super and is designed to ensure that you generally use your super for retirement.

There are three categories of super:

- unrestricted non-preserved super benefits
- preserved super benefits, and
- restricted non-preserved super benefits.

The unrestricted non-preserved amount (if any) is the part of your super account balance that can be paid in cash at any time.

Preserved or restricted non-preserved amounts must be kept in a superannuation fund or other approved superannuation arrangement and can only be accessed according 'to conditions of release' specified in superannuation law.

Your member statement will provide details about the relevant category for each portion of your super. Generally, contributions made to your superannuation account will be fully preserved and only accessible once you satisfy a 'condition of release'.

Contact the ATO for information about the amount you may be able to access under the FHSSS.

For more information, refer to the *Accessing Your Super* fact sheet available at kogansuper.com.au/documents.

This fact sheet also includes details about:

- conditions for accessing preserved or restricted non-preserved super, and
- your preservation age (i.e. the age at which your preserved super can be paid to you in cash if you permanently leave work).

Accessing your super

You can choose to take the unrestricted non-preserved component of your super as a cash payment at any time, however, tax may be deducted. Contact the Helpline if you want to use this option.

You may also be able to transfer all or part of your account balance to another complying superannuation arrangement at any time.

If you wish to make a partial transfer this will generally be subject to maintaining an account balance of at least \$500 in Kogan Super.

You should also consider the impact on any insurance cover you may have (including the cost of that cover). Refer to the *Insurance Guide* for more information about insurance.

Paying your super if you leave Australia

You may be eligible to access your super and have it paid directly to you after you have left Australia as long as:

- you entered Australia on a temporary visa
- your temporary visa has expired or been cancelled, and
- you are not an Australian or New Zealand citizen or an Australian permanent resident.

We may be required to transfer your super to the ATO if at least six months has passed since the expiry or cancellation of your temporary visa and you have left Australia and have not claimed your super.

If this happens, you will need to contact the ATO to claim your super, which will be paid to you subject to the deduction of tax. The ATO will provide us with details of the Customers who can have their super transferred in these circumstances.

Tax rates on super benefits to a temporary resident who has left Australia are higher than those which apply to Australian permanent residents or Australian and New Zealand citizens.

Interest (or investment earnings) in respect of super for temporary residents is not paid on amounts paid by the ATO (except in certain limited circumstances).

The transfer to the ATO can be required even if you are still employed by your Australian employer. Call the Helpline if your benefit has been transferred to the ATO and you need help to prove to the ATO that you are entitled to that benefit.

In most cases, we are required to provide a Customer an exit statement when their benefit has been paid out of Kogan Super. However, the Australian Securities and Investments Commission (ASIC) has provided trustees with relief from this requirement where benefits are paid to the ATO. This relief has been granted because most temporary residents do not advise the trustee of their overseas address details. We intend to rely on this relief. This means that we are not obliged to notify or give an exit statement to a non-resident where a benefit has been transferred to the ATO.

Unclaimed money

Your super benefit will be considered as unclaimed money and sent to the ATO if:

- you are over age 65 and we have received no contributions or rollovers in the last two years, and
- we have been unable to contact you for a period of five years.

We may also be required to transfer your account to the ATO if:

- no contributions or rollovers have been received for more than 12 months, and
- we have not been able to contact you and your account balance is less than \$6,000, or
- if we do not have enough information to properly identify you.

You can approach the ATO to claim any such money directly.

Lost members

We may transfer your super to the SuperTrace Eligible Rollover Fund (SuperTrace) if:

- we have attempted to contact you twice
- this communication has been bounced both times, and
- you are under age 65.

You will no longer be a Customer and any insurance cover you may have had through Kogan Super will cease if your super is transferred to SuperTrace.

See 'About SuperTrace' later in this Guide for more details.

ATO Consolidation

As of 1 July 2019, all large super funds are required to move member accounts (other than defined benefit accounts) to the ATO for consolidation if they are inactive for a period of 16 months, have a balance of less than \$6,000 and do not hold current insurance cover.

Your super account will be deemed inactive, if within the last 16 months, all of the below statements are true:

- there have been no contributions and/or rollovers received,
- you have not changed investment options,
- you have not changed your binding beneficiaries,
- you have not made a change to your insurance cover,
- you do not owe an amount of money to the trustee*, and;
- you have not opted out of having your super account transferred to the ATO.

* In limited circumstances your account may owe money to the trustee, for example, through a family law split.

The process of determining accounts for ATO consolidation occurs on 30 June and 31 December each year.

You can opt out of having your super account transferred to the ATO by calling the Helpline.

Family Law

Subject to relevant legislation, married and de facto* couples (including same sex couples) may be able to make binding superannuation agreements or get court orders to determine how each partner's super will be divided if their marriage or relationship breaks down.

Under the *Family Law Act 1975*, the trustee needs to provide certain information about a member's super benefit to eligible persons where the information is required to negotiate a superannuation agreement or to help with a court order. For the purposes of the Family Law Act 1975, an eligible person includes the Customer, the spouse of a Customer or any person who intends to enter a superannuation agreement with the Customer.

We may need to adjust your super benefit to reflect any agreements or court orders that may be binding on us. We will advise you about any fee for a request related to the Family Law Act 1975 for your super benefit.

Refer to kogansuper.com.au/documents about family law matters affecting your super.

Anti-money Laundering

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AMLCTF Act), superannuation funds have to identify, monitor and mitigate the risk that Kogan Super may be used for the laundering of money or the financing of terrorism. Because of this, you may need to provide satisfactory proof of your identity to us before you withdraw your super benefit. You may also need to provide satisfactory proof of identity to satisfy other legal requirements.

At a minimum, you may need to verify your full name, date of birth and home address. This would usually be done by supplying a certified copy of your driver's licence or passport. We may be unable to process your payment request unless we receive this information in an appropriate form.

Under the AMLCTF Act, we may need to undertake additional identification checks and to monitor transactions. We may also need to block or suspend transactions. We will not be liable for any loss suffered by you due to a delay in making a payment which has been caused by the need to comply with AMLCTF Act requirements.

By law we are also required to comply with confidential reporting obligations to the AMLCTF Act regulator, Australian Transaction Reports and Analysis Centre.

RECEIVING YOUR BENEFITS

This section includes information about what generally happens to your benefits and insurance cover when you leave Kogan Super.

Your account balance is made up of:

- amounts contributed to your account by you or your employer or in respect of you

plus

- any money you transfer in from other super funds

less

- taxes and surcharges, fees, expenses, insurance premiums and amounts paid out to or for you

plus

- investment earnings (which can be positive or negative).

Your annual statement explains how your super has performed throughout the previous year.

If you're covered by insurance, you may be able to receive an additional insurance benefit in certain circumstances (for example, total and permanent disablement).

See the 'How we invest your super' section of the *Product Guide* to find more information about the impact of investment performance on benefits.

Taking a partial payout

You may be able to access your unrestricted non-preserved component of your super at any time as a cash payment. Your statement will show if you have any such unrestricted non-preserved amounts.

If you request a partial payment, you must leave a minimum of \$500 in your account.

You may also apply to have all or part of your account balance rolled over to another complying superannuation arrangement (subject to maintaining a minimum account balance of \$500 if you are making a partial withdrawal).

See the 'Paying Your Benefits' section of this Guide for information about preservation.

OTHER KEY INFORMATION

Beneficiaries

For the sake of your family, it's important to let us know who you would prefer to receive your death benefit if you die while a Customer of Kogan Super. For more information about nominating beneficiaries, refer to the *Beneficiaries* fact sheet available at kogansuper.com.au/documents.

Minimum account balance

We require that your account balance remains above \$500 at all times. Every 6 months, we conduct a check to see if your account balance is below \$500. If this happens, we will notify you and you can either increase your account balance (by making a contribution or a transfer to your account), or you will need to provide written instructions for the payment of your account balance from Kogan Super.

If your account balance is not increased to at least \$500 or you do not provide written payment instructions within 30 days of receiving a notification from us that your account balance is below \$500, then we will transfer your account balance to the Eligible Rollover Fund (SuperTrace). This means that your future benefit will come from SuperTrace and you will no longer have any rights in Kogan Super.

We will inform you when we transfer your super to SuperTrace.

Any insurance cover you have in Kogan Super stops from the date we transfer your account balance to SuperTrace. Any insurance premiums regularly deducted from your account balance will also stop on the same date.

You may be eligible for extended death cover. See the *Insurance Guide* for more details. You can get the *Insurance Guide* free of charge at kogansuper.com.au/documents or by calling the Helpline on 1800 517 212 to request that an electronic copy be sent to you.

About supertrace

Contact details:

SuperTrace Eligible Rollover Fund

ABN 73 703 878 235

Locked Bag 5429

Parramatta NSW 2124

Telephone: 1300 788 750

Fax: 1300 700 353

Website: www.supertrace.com.au

Email: SuperTrace.Member@cba.com.au

The trustee of SuperTrace is Colonial Mutual Superannuation Pty. Ltd. ABN 56 006 831 983 AFSL 235025 (CMS). SuperTrace is administered by the Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA).

Set out below is a summary of some of the more significant features of SuperTrace (current at the date of this Guide):

- All assets of SuperTrace are invested in the investment policy (Policy) issued to CMS by CMLA. The Policy is currently invested solely in the Capital Stable Fund in the CMLA No. 2L Statutory Fund. The Capital Stable Fund and the CMLA No. 2L Statutory Fund invest in assets that can fluctuate in value. There is no investment choice available to members;
- The investment objective is to invest in a diversified portfolio of assets expected to generate a mix of income and long-term capital growth with an emphasis on stable returns and a reasonably high level of security;
- Investment returns are credited to members' accounts as an annual crediting rate effective 30 June;
- An ongoing fee is calculated as a percentage of your share of assets of SuperTrace (net of tax), which is deducted before the crediting rate is applied. For the current fee see the SuperTrace Product Disclosure Statement;
- SuperTrace is unable to accept contributions from members or their employers; but you can rollover money from other superannuation funds; and
- SuperTrace does not provide insurance cover.

For more information, contact a SuperTrace Customer Service Representative on 1300 788 750 between 8.30am and 6pm AEST Monday to Friday or go to www.supertrace.com.au for a copy of their latest *Product Disclosure Statement*.

Your privacy is important to us

We collect, use and disclose personal information about you in order to manage your superannuation benefits and give you information about your super. We may also use it to supply you with information about the other products and services offered by us and related companies. Call our Helpline if you do not want to receive marketing material.

You can read Mercer's privacy policy at

<https://www.mercerfinancialservices.com/privacy.html>

and Kogan's privacy policy at

<https://www.kogan.com/au/privacy-policy>

We may not be able to manage your super if you do not provide the personal information we request.

We may sometimes collect information about you from third parties such as your employer, a previous super fund, your financial adviser, our related entities and publicly available sources.

We may disclose your information to various organisations to manage your super, including your employer; the Mercer Super Trust's administrator; our professional advisors; insurers; our related companies which provide services or products relevant to your super; any relevant government authority that requires your personal information to be disclosed; and our other service providers that help manage your super.

To manage your super, your personal information will be disclosed to service providers in another country, most likely at our administrator's processing centre in India. Our Privacy Policies list all other relevant offshore locations.

Our Privacy Policies include more details about how we deal with your personal information and who you can talk to if you wish to access and/or correct information we hold about you. The policy also includes details about how you can complain about the way we have dealt with your information and how that we will handle that complaint.

If you have any other question about privacy, call our Helpline or write to:

Mercer's Privacy Officer
Mercer Superannuation (Australia) Limited
GPO Box 4303
Melbourne VIC 3001

Or,

Kogan's Privacy Officer
GPO Box 2579
Melbourne VIC 3001
Email: unsubscribe@kogan.com.au

Trustee powers and responsibilities

We are responsible for:

- ensuring Customers' rights and interests are protected
- payment of correct super benefits at the appropriate time
- proper management of assets, and
- the general operation of the Mercer Super Trust in accordance with the governing documents and applicable legislation.

We have the power to invest the assets of the Mercer Super Trust in real and personal property of any nature. We may not borrow money except for temporary borrowing (not exceeding 10% of the value of the assets of the Mercer Super Trust) to pay super entitlements and to settle securities transactions.

We have the right to override any Customer's investment options as required by law.

We are paid the fees set out in this *PDS*.

Retirement of trustee

We must retire as trustee if we are no longer qualified to act as trustee of the Mercer Super Trust in accordance with Government regulations. We may also retire at any time by appointing another company to act as trustee instead. The new trustee must be qualified to act as trustee of the Mercer Super Trust under Government regulations. The directors of a trustee must also comply with Government regulations to act as directors.

Trustee's indemnity

We are entitled to be indemnified, out of the assets of Kogan Super, against all liabilities including losses, costs and expenses that may be incurred in administering Kogan Super. This applies to our directors as well.

That indemnity may reduce a super benefit.

The indemnity does not apply to:

- liabilities arising out of fraud, dishonesty or intentional or reckless neglect or default, or
- amounts, such as penalties that cannot be indemnified under Government legislation.

Plan rules

Two legal documents make up the governing rules of Kogan Super:

- the trust deed that governs the operation of the Mercer Super Trust, and
- the designated rules covering the general operation of the Retail Division.

The governing rules of Kogan Super together with relevant laws and regulations set out the rules and procedures under which the Mercer Super Trust and Kogan Super operate and also set out our duties and obligations to you.

The governing rules are available on mercersuper.com/documents

Amendments to Kogan Super's governing rules

Sometimes the governing rules need to be amended.

We have the power to amend all or any of the provisions of the trust deed and designated rules at any time.

Any amendment must comply with the restrictions in the trust deed, designated rules and any applicable Government requirements.

Closing the Mercer Super Trust or Kogan Super

The Mercer Super Trust is an indefinitely continuing fund with no fixed termination date. We may terminate the Mercer Super Trust, Retail Division or Kogan Super at any time.

Upon termination, we must:

- realise (i.e. sell or cash out) the property of Kogan Super or the Mercer Super Trust (as appropriate)
- discharge all liabilities
- pay the expenses of termination, and
- distribute the balance in accordance with the governing rules of Kogan Super and government legislation.

If the Mercer Super Trust, Retail Division or Kogan Super closes, your super benefit may be adjusted subject to the governing rules.

You will need to tell us where you would like your super paid to within 30 days. If you don't tell us what to do within 30 days your super may be transferred to the SuperTrace Eligible Rollover Fund. You'll find more information about SuperTrace earlier in this Guide.

HOW SUPER IS TAXED

Contribution limits and tax issues can be complex. We have provided a general summary of the way superannuation is taxed based on laws current at 19 August 2019.

The information applies to Australian or New Zealand citizens or Australian permanent residents. If you are an Australian or New Zealand citizen or an Australian permanent resident but are currently not a resident of Australia for tax purposes, different tax rules will apply.

Superannuation is generally taxed at three stages:

- when contributions are received
- when investment income is earned, and
- when super benefits are paid out in cash.

No Tax File Number

If we do not have your TFN:

- you will pay extra tax on employer contributions, salary sacrifice contributions and possibly on your super benefit, and
- we cannot accept your personal contributions (including any spouse contributions).

Tax on contributions

The tax paid on super contributions depends on:

- whether the contribution is concessional or non-concessional (described below)
- the amount of the contribution
- whether we have your TFN, and
- your level of income.

We generally deduct tax at the rate of 15%^A on concessional contributions and on some other amounts transferred from overseas funds and certain untaxed Australian funds. Contributions tax is levied on your net contributions after relevant fees and insurance premiums have been deducted. If we accept a taxable contribution into the Mercer Super Trust, we will deduct 15% tax immediately and this deduction will be held until we need to pay it to the ATO.

^A Customers on incomes (as defined in legislation for this purpose) of \$250,000 or more are also subject to an additional tax of 15% on some or all of their concessional contributions. The ATO assesses this tax separately and will issue you with an assessment notice if applicable.

Concessional contributions

Concessional contributions include Superannuation Guarantee contributions, salary sacrifice contributions, any extra employer contributions (including any employer paid fees or insurance premiums) and personal contributions for which a tax deduction is claimed.

Concessional contributions can also include certain other amounts including certain amounts allocated by us, certain contributions made by other people for you (except your spouse) and certain transfers from an overseas fund.

Non-concessional contributions

Non-concessional contributions include contributions made from your after-tax salary (unless you claim a tax deduction for these contributions), spouse contributions made for you, certain amounts allocated by us, any concessional contributions over and above the concessional contributions limit (that are not refunded) and some transfers from an overseas fund.

Concessional and non-concessional limits

You will need to pay more tax if your concessional contributions are over a specified limit.

The base concessional contribution limit is \$25,000 for the year ending 30 June 2020. From 1 July 2019 you may be entitled to contribute more than this concessional contribution limit if:

- you have not fully used your annual cap on concessional contributions in the previous five years (but not counting years before 1 July 2018), and
- the combined balance of all your superannuation accounts is less than \$500,000 on 30 June of the previous financial year.

Excess concessional contributions will be assessable income and taxed at your marginal tax rate (including Medicare) less 15% to allow for any contribution tax that has already been paid. This will generally result in the same tax being applied as if the excess contribution had been received as salary. An interest charge will also be applied to recognise that the tax on excess contributions is collected later than normal.

You can apply for a refund of any excess concessional contributions made to Kogan Super after you receive an assessment from the ATO.

Excess concessional contributions that are not refunded count against the non-concessional contribution limit.

Non-concessional contributions up to a specified annual limit are generally tax-free. The combined balance of all your superannuation accounts (as at 30 June of the previous financial year) will generally determine your non-concessional contribution limit.

Combined balance of all your superannuation accounts at 30 June 2019	Annual non-concessional contribution limit for year ending 30 June 2020
Up to \$1.6 million	\$100,000
\$1.6 million or more	Nil

However, eligible people under age 65 at any time in a financial year may be able to bring forward up to two years' worth of non-concessional contributions. If you utilised the 'bring forward' option in 2017/18 or 2018/19, a special calculation applies to determine your annual limit(s) for the remainder of the three year period.

Downsizer contributions do not count against the non-concessional contribution limit.

If your super contributions go over either the concessional or non-concessional limit, additional tax will usually apply. Excess non-concessional contributions that are not refunded will be subject to tax at 47%.

For more details about contributions and tax, the current annual limits or claiming a deduction for your super contributions, refer to the *Contributions* fact sheet available at kogansuper.com.au/documents.

Tax on investment income

Generally, we are liable to pay tax at a maximum rate of 15% on:

- all investment income
- realised capital gains from assets held for less than 12 months, and
- two-thirds of realised capital gains from assets held for 12 months or more.

A realised capital gain is when an asset is actually sold for more than the original purchase price.

We won't be liable to pay tax on gains received from the Mercer Super Trust investments in pooled super trusts and statutory funds of life insurance companies. This is because the pooled super trust or life office would have already deducted tax.

The actual rate at which we pay tax may be reduced below 15% due to the effect of various tax credits (including franking credits) and rebates.

Tax on super benefits

You may have to pay tax on your super benefit when it is paid from the Mercer Super Trust. The actual amount of tax you may have to pay depends on:

- your age when your super benefit is paid
- the type of benefit, and
- some other factors including your residency and citizenship status.

Super benefits for Australian or New Zealand citizens or an Australian permanent resident are generally:

- tax free when paid from age 60 (although tax may be payable on some death and temporary disability benefits and FHSSS releases)
- taxable when paid before age 60.

For more information, refer to the *Tax on Lump Sum Super Benefits* fact sheet available at kogansuper.com.au/documents.

ENQUIRIES AND COMPLAINTS

We aim to deal with complaints as soon as possible.

If you have any enquiry or complaint:

- call the Helpline on 1800 517 212 or +61 3 91924431 if calling from overseas between 8am and 6pm AEST Monday to Friday, or
- complete and submit the online enquiry form, or
- write to:

Enquiries and Complaints Officer
Kogan Super
GPO Box 20065
Melbourne VIC 3001

Please include the Plan name, Kogan Super, and your Customer number when writing to us. We try to deal with all matters as soon as possible and generally reply to enquiries within 28 days. However, responses to some complaints may take longer, although we try to respond within 90 days.

We always try to resolve complaints to the satisfaction of all concerned and in the best interests of all Customers. However, if you have made a complaint and are not satisfied with the outcome or after at least 90 days have passed, you may take your complaint to Australian Financial Complaints Authority (AFCA). AFCA provides a fair and independent complaint resolution service that is free to consumers.

You can contact AFCA as follows:

- Mail: GPO Box 3
Melbourne VIC 3001
- Phone: 1800 931 678
- Email: info@afca.org.au
- Website: www.afca.org.au

Time limits for referring complaints to AFCA may apply for certain types of matters. Please contact AFCA for more details about its requirements and time limits.

COOLING OFF

If you have made the choice to join Kogan Super, you're entitled to a cooling-off period to make sure you're completely happy with your decision to join us. This means that you have 14 day period to cancel your membership.

This 14 day period starts from the earlier of the date you receive a confirmation email of your membership or 5 days after your application has been accepted. You will lose your right to cool off if you exercise any other rights in respect of Kogan Super within the 14 day period.

If you wish to cancel your membership you can do so by completing and submitting the online enquiry form. If you cancel your membership during the cooling off period, the amount refunded will be calculated by reference to the price at which the units would have been acquired if you had acquired them on the day the cooling off right was exercised. The amount refunded will be adjusted to take account of super benefits or distributions made to you during your membership, tax and reasonable transaction or administration costs. The amount refunded maybe more or less than the amount you initially invested.

The refund will be paid in accordance with the following rules:

- any preserved or restricted non-preserved amounts will be transferred to a regulated superannuation fund, approved deposit fund or Retirement Savings Account nominated by you, and
- any other amounts will be paid as directed by you.

You have one month from notifying us that you want to cancel your membership in Kogan Super to nominate where you want the funds to be transferred.

If no nomination is received or your nominated superannuation entity does not accept the nomination, the refundable amount may be transferred to the SuperTrace Eligible Rollover Fund and you will no longer have any rights under Kogan Super.

You can find more information on the SuperTrace earlier in this Guide.