

Product Disclosure Statement

FairVine, a sub-plan of the Aracon Superannuation Fund
ABN 40 586 548 205, RSE Registration Number R1001020

Prepared 29 March 2019

Issued by the Trustee

Aracon Superannuation Pty Ltd
ABN 13 133 547 396
AFS Licence Number 507184
RSE Licence Number L0003384
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Insurer

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(ABN 37 062 395 484)
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Avenue,
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Promoter

Human Financial Pty Ltd
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Important Information

This Product Disclosure Statement (“PDS or Statement”) is a summary of significant information and contains a number of references to important information, each of which forms part of this Statement. This Statement contains general information only and does not take into account your personal financial situation or needs. You should consider obtaining financial advice from a licensed financial advisor that is tailored to suit your personal circumstances. This Statement may be updated or changed by the issuer from time to time.

You should read and consider the important information about FairVine, a Sub Plan of the Aracon Superannuation Fund, before making a decision about the product. Go to the Additional Information Guide and other relevant forms or guides that are available on www.FairVine.com.au. The material relating to FairVine may change between the time when you read this Statement and the day when you acquire the product. For current information refer to the website.

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1. About FairVine

Welcome to FairVine (“FairVine”, or “the Fund”). FairVine is a sub plan in Aracon Superannuation Fund (“ASF”) ABN 40 586 548 205, a complying public offer superannuation fund regulated under the Superannuation Industry (Supervision) Act 1993 (“SIS Act”).

FairVine is a superannuation plan designed around what Australian women want from their superannuation partner.

While other financial products spend their time talking about what they invest in, or who sits on their board of directors, we spend our time asking women what they need out of a superannuation partner. We’re constantly developing rewards and resources to help Australian women save: both now, and in the future. Like waiving fees for maternity leave, or helping members add to their savings on a daily basis. We’re looking to level the playing field and help to close the gender wealth gap.

The Trustee of the ASF is Aracon Superannuation Pty Ltd (“Aracon”, the “Trustee”, or “we”), a wholly owned subsidiary of Managed Accounts Holdings Limited (MGP), an ASX Listed Financial Services Company.

The Trustee is responsible for ensuring that FairVine is managed in accordance with the Trust Deed and the provisions of the SIS Act. The Trustee is required to disclose certain Trustee and FairVine information and documentation on a website.

Accordingly, the Trustee’s website: www.araconsultants.com.au and FairVine’s website www.FairVine.com.au contain the required information and documentation. The information and documentation includes, but is not limited to, the following: the remuneration received by the Trustee’s executive officers, the Trust Deed, the Product Disclosure Statement, the most recent Annual Report and the names of each material outsourced service provider to FairVine. Alternatively, you can call 02 8322 8199 and request a copy of our PDS.

Service Providers

The following organisations are engaged to manage certain aspects of FairVine’s operations.

Administrator: DIY Master Ltd ABN 41 123 035 245

Group Life Insurer: Hannover Life Re of Australasia Limited ABN 37 062 395 484

Promoter: Human Financial Pty Ltd ABN 14 615 610 305

The Trustee and Administrator are member companies of MGP

2. How Super Works

Superannuation (or “super”) is a means of saving for retirement, which is in part compulsory. There are different types of contributions available that can, subject to limitations and other criteria, be made to your super account by you, your employer, your spouse or by Government co-contribution. Some of these contributions may be either compulsory or voluntary.

During your working life, contributions accumulate in your super account and are invested according to your chosen investment strategy, with earnings and/or losses allocated to that account. Deductions from your account may be made for taxes, insurance premiums or other fees and costs. The balance of the super account is generally available to form a benefit upon retirement. During the accumulation phase, insurance may be included with your super account to provide additional benefits in the event of your death or disability.

There are various limitations on how you can withdraw your benefits from superannuation and the Government has imposed preservation requirements to restrict access to your benefits until genuine retirement, or in other specific circumstances that include death, terminal illness, disability, financial hardship or compassionate grounds. Your benefits may be paid either as a lump sum, pension or combination.

The Australian Government provides various taxation savings and concessions to those who invest in super. Most people have the right to choose the super fund into which their employer should direct their superannuation guarantee contributions. You can obtain more information on how super works at the Australian Securities and Investments Commission (“ASIC”) website www.moneysmart.gov.au.

You should read the important information about how super works before making a decision. Go to the How Super Works section contained in the Additional Information Guide available on the website. The material relating to super may change between the time when you read this statement and the day when you acquire the product.

3. Benefits of Investing with FairVine

FairVine is a sub-plan within a fully compliant, regulated and flexible super fund that provides an easy to use solution for your retirement savings. The Trustee aims to provide a service to each member that includes the following features and benefits:

- one transparent fee
- parental leave rebate
- automatic insurance cover for death and/or total permanent disablement and the ability to include income protection during the accumulation stage;
- invest your spare change
- select from two investment strategies;
- receive your benefits as either a lump sum or pension;
- either binding or non-binding nominations of beneficiaries to assist with your estate planning;

You should read the important information about the benefits of investing with the FairVine before making a decision. Go to ‘Benefits of investing with FairVine’ section contained in the Additional Information Guide available on the website. The material relating to FairVine may change between the time when you read this statement and the day when you acquire the product.

4. Risks of Super

All investments carry risk, which may result in an undesirable consequence or outcome. FairVine offers members two different investment strategies, which carry different levels of risk, depending on the assets that make up the strategy. Generally, assets with the highest long-term returns may also carry the highest level of short-term risk. Some of the significant risks of investing in super include:

- the value of investments will vary;
- the level of returns will vary and future returns may differ from past returns;
- returns are not guaranteed and members may lose money on some or all of their investment;
- superannuation laws may change in the future;
- your future superannuation savings, including contributions and investment returns, may not be enough to provide adequately for your retirement;
- your savings and benefits cannot be accessed until you meet a condition of release;
- processing of transactions may be delayed in some circumstances, e.g. during an administration upgrade

The level of risk a person is willing to accept will vary depending on a range of factors, including your age, investment time frames, other wealth or investments you may have and your risk tolerance.

You should read the important additional information about the risks of super before making a decision. Go to “Risks of investing with FairVine” section contained in the Additional Information Guide available on the website. The material relating to FairVine’s risks may change between the time when you read this statement and the day when you acquire the product.

5. How We Invest Your Money

FairVine offers a choice of two investment strategies, Balanced and Growth. Both of these investment options use environmental, social and ethical screens. For more information on the ethical screens please refer to the FairVine PDS Additional Information Guide.

	Balanced	Growth
Who is this investment for?	The Balanced option has a higher allocation to shares and property than fixed interest and cash. It’s designed for members seeking medium to long-term growth who are willing to accept short term fluctuations in returns.	The Growth has a higher allocation to growth assets (shares and property) than the Balanced option. It is also designed for members seeking medium to long-term growth who are willing to accept a higher level of short term fluctuations in returns compared to the Balanced option.
Investment return objective	To achieve a return after tax and investment management fees equal to or better than CPI plus 2.5% per year when measured over any 10 year period	To achieve a return after tax and investment management fees equal to or better than CPI plus 3.0% per year when measured over any 10 year period
Minimum suggested time frame	10 years	10 years
Standard Risk Measure*: Risk Band and Label	Medium (Risk Band 4)	Medium (Risk Band 4)

FairVine options asset allocation

	Balanced	Growth
Growth	70%	80%
<i>Australian shares</i>	<i>35% range (15% - 45%)</i>	<i>40% range (25% - 55%)</i>
<i>International shares</i>	<i>30% range (15% - 45%)</i>	<i>35% range (25% - 55%)</i>
<i>Australian listed property</i>	<i>5% range (0% - 15%)</i>	<i>5% range (0% - 15%)</i>
Defensive	30%	20%
<i>Australian fixed interest</i>	<i>10% range (0% - 20%)</i>	<i>10% range (0% - 20%)</i>
<i>International fixed interest</i>	<i>10% range (0% - 20%)</i>	<i>5% range (0% - 20%)</i>
<i>Cash</i>	<i>10% range (0% - 15%)</i>	<i>5% range (0% - 15%)</i>

* Note: The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The measure includes seven bands where 1 represents the least risk of negative returns and 7 represents the highest risk of negative returns. Note that this is not a complete assessment of all forms of investment risk, e.g. It does not take into account the size of a negative return or that positive returns may not be sufficient to meet your objectives, the impact of fees and tax on the likelihood of a negative return. Members should ensure they are comfortable with the risks and potential losses associated with their chosen investment strategy. It is estimated that both the Balanced and Growth options will have 2 to 3 periods of negative annual returns over any 20 year period.

You may alter your investment strategy selection at any time in your member portal at www.FairVine.com.au

The Trustee regularly reviews and modifies its strategic asset allocations using its model of long-term return expectations. Specific investments held within the various investment strategies may frequently change as FairVine is continuously managed on behalf of its members. The Trustee may change how the investment strategies are designed and invested, including any

underlying investment managers, allowable or strategic asset ranges, and the addition or removal of investment strategy options. Note that both investment options have their own unit prices which represents your return. The value of each investment option is calculated daily. Unit prices are usually applied at the price of the next business day.

Warning: When choosing an option in which to invest in, you must consider the likely investment return, the risks and your investment timeframe. You should read the important additional information about investments before making a decision. Go to 'How FairVine invests your money' section contained in the Additional Information Guide available on the website. The material relating to FairVine's investments may change between the time when you read this statement and the day when you acquire the product.

6. Fees and Costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You or your employer, as applicable, may be able to negotiate[#] to pay lower administration fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

[#] The above consumer advisory warning is required by law and the Trustee does not negotiate lower fees to employers, members or other persons. The ASIC fee calculator at www.moneysmart.gov.au can be used to calculate the effect of fees and costs on account balances.

This PDS shows fees and other costs that may be charged in FairVine. You should read all the information about fees and costs as it is important to understand their impact on your investment. Taxes, insurance fees and other costs relating to insurance are set out in another part of this document. Generally, all investment fees and taxation are deducted from the relevant investment earnings and included in the calculation of unit prices. Administration fees are deducted monthly in arrears from your account. Other fees or costs, such as insurance premiums are generally deducted from your account monthly in arrears.

This table provides summary information about the main fees and cost for the Balanced option. This information can be used to compare this superannuation product with other superannuation products. All fees disclosed in this PDS are GST inclusive.

Investment option	Balanced	
Investment fee	Nil	
Administration fee ¹	1.09%	Deducted monthly in arrears from your account
Buy-sell spread	0.30%	Included in the unit pricing of the investment option
Switching fee	Nil	
Exit fee	Nil	
Advice fees	Nil	
Other fees and costs	Nil	
Indirect cost ratio	0.11%	Deducted from the assets of the underlying investments and reflected in the daily unit price.

¹ Includes a 0.05% contribution to the Operational Risk Financial Requirement (ORFR) Reserve, a Trustee and Custodian fee of 0.088% and a Promoter Fee of 0.9520%. The Trustee, Custodian and Promoter fees are all GST inclusive.

All fees quoted above are inclusive of GST and any Reduced Input Tax Credits (RITC) will be allocated to the expense reserve account to fund FairVine's ORFR requirement.

Example of Annual Fees and Costs

This table gives an example of how the fees and costs in each investment strategy affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products. All fees quoted are inclusive of GST. RITC being allocated to the expense reserve account.

EXAMPLE - FairVine Balanced		Balance of \$50,000
Investment fee	Nil	You will be charged \$0 each year in investment fees
PLUS Administration fees	1.09% per annum	And , you will be charged \$545 each year in administration fees
PLUS Indirect costs	0.11% per annum	And , indirect costs of \$55 each year deducted from your investment
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$600 for the superannuation product.

Note: Additional fees may apply.

If you leave the superannuation entity you will not be charged an exit fee.

A buy/sell spread applies whenever you make a contributions, exit, rollover or investment switch. The current buy/sell spread is 0.30% (this will equal to \$150 for every \$50,000 you contribute or withdraw).

Additional Explanation of Fees and Costs

The Trustee does not negotiate any of the fees, costs or fee rebates with members. Fee rebates, where applicable, may reduce the amount of fees shown in the above example. Refer to the Fees and Costs section of the Additional Information Guide for full details and example calculations.

Activity fees

Refer to the Additional Information Guide

Insurance fees

Should you decide to take up death, total and permanent disablement or Income Protection cover under FairVine, you will be charged an Insurance Administration Fee of 5.5% p.a of the premium (including GST) which is deducted monthly and paid to the Administrator to cover the cost of administering the insurance arrangements. This fee is in addition to the premiums set out in the Insurance Guide. You may vary or cancel your insurance at any time.

Refer to Section 7 'Insurance in your Super' of this PDS and the FairVine Insurance Guide for more information.

Fee Changes

The Trustee has the right to change the amount of fees without members' consent. Where this may result in an increase in fees, the Trustee will provide you with at least 30 days written notice of the change

You should read the important information about fees, fee definitions and fee rebates before making a decision. Go to the Fees and cost section contained in the Additional Information Guide available on the website. The material relating to FairVine's fees, costs and fee rebates may change between the time when you read this statement and the day when you acquire the product

7. How Super is Taxed

Generally, contributions to your account are taxed at the rate of 15% (provided you have supplied your Tax File Number (TFN)). If you are classified as a high income earner, you may need to pay an additional 15% tax (known as a Division 293 tax) on some or all of your contributions. If this applies to you the Australian Taxation Office (ATO) will notify you after the end of the financial year.

Contributions tax is generally deducted quarterly in arrears or when we receive a personal tax deduction notice. Personal and other contributions where tax deductions are not claimed (e.g. because they are being paid with post-tax money), together with any spouse contributions, are not generally subject to tax in super where they are within the relevant contribution caps. Fee rebates allocated to your Accumulation account are also subject to tax at the rate of 15%, which is deducted from your account as applicable. Additional tax and charges may be payable if you exceed any of the contribution limits.

From 1 July 2017, the amount of your total superannuation balance may limit your ability to make extra contributions, claim the government co-contribution and spouse tax offsets, and make 'catch up' concessional contributions in the 2018/19 and later years. For further information please see the ATO website, www.ato.gov.au.

Where taxes on contributions are deducted from your account, you will generally receive the tax benefit of any allowable deductions (e.g. for fees or costs deducted directly from your account) that the Trustee is able to claim on the FairVine income tax return.

Once you are over the age of 60 years, there is generally no tax applicable on the benefits received from your super account upon retirement. In other circumstances, tax may be deducted from your super benefit at rates that vary from nil to the highest marginal tax rate plus any applicable Medicare or other levies, depending on the circumstances of your benefit payment. There is generally no tax deducted when you rollover your benefit from one super fund to another, unless you have an untaxed element of a taxable component.

Investment earnings and capital gains are taxed at a maximum rate of 15%. Some capital gains may be taxed at the concessional rate of 10%. Tax on earnings and capital gains is reflected in the applicable Investment Option's unit price and is not deducted directly from your account.

Warning: You should provide your TFN when acquiring this superannuation product. Not providing your TFN may result in being liable to pay additional tax, missing out on super co-contributions, having member contributions returned to you or it may be more difficult to keep track of your super. Also, where your contributions exceed the relevant contribution caps, you may be assessed for additional tax payable on those contributions (whether or not your TFN is provided).

You should read the important information about how super is taxed before making a decision. Go to the "Taxation" section contained in the Additional Information Guide. The material relating to how super is taxed may change between the time when you read this statement and the day when you acquire the product.

8. Insurance in Your Super

This section provides a brief summary of the insurance options available in FairVine. You should refer to the FairVine Insurance Guide for full details which is available at www.fairvine.com.au or on request by emailing us at concierge@fairvine.com.au

FairVine offers automatic (also known as default) Death and Total and Permanent Disablement (TPD) cover subject to meeting the Insurer's eligibility criteria. We offer the following insurance cover:

- Default Death cover, which pays a lump sum benefit in the event of an insured member's death or terminal illness subject to eligibility;
- Default Total and Permanent Disablement (TPD) cover, which pays a lump sum benefit if an insured member becomes totally and permanently disabled (as defined) subject to eligibility;

Default insurance cover

When you join FairVine, eligible members will receive default death and total and permanent disablement cover without any medical underwriting. Your default cover will be provided as Limited Cover (ie no inclusion of pre-existing illness or injury) for a period of 24 months. The costs of your cover vary depending on your age, level of cover or occupation. These costs are called premium rates and will be payable from your account. For full details on costs and level of insurance cover, please read our FairVine Insurance Guide available on our website. You can opt out of default cover within 14 days, in which case no premiums will be charged.

Income protection cover

FairVine also offers eligible members Income Protection cover. For further information please refer to the FairVine Insurance Guide.

Application for transfer of and variation of insurance cover

You may be able to transfer existing Death and TPD cover from your current insurer or super fund to FairVine, provided you meet the eligibility conditions. You can opt out of all cover or reduce your cover by writing to FairVine at any time. Any subsequent request to reinstate or increase cover will be subject to underwriting. The maximum value of the combined total of transferred cover and your existing FairVine cover must not exceed \$1,500,000.

For full details of additional cover and transferred cover, please read the FairVine Insurance Guide.

Declining to acquire cover or cancelling cover

You can decline to acquire insurance cover or cancel cover any time using your FairVine member portal.

IMPORTANT

If you do not decline to acquire the default insurance cover or you do not cancel it, the Trustee for FairVine will continue to deduct the premiums for the Default Cover from your account.

Information about eligibility for cover, cancellation of cover and applicable conditions and exclusions is in the FairVine Insurance Guide. You can also find the full terms and conditions set out by the Insurer in the Insurance Guide.

The full terms and conditions contained in the policies take precedence over this PDS (including the incorporated material).

Warning: You should read the important information about eligibility and cancellation of any insurance policy that you choose to include with your account, together with any conditions or exclusions that are applicable, the level and type of cover available and the cost of cover (or range of costs) before deciding whether the insurance is appropriate. If you have insurance cover, the premiums will be deducted out of your account. Go to the insurance guide available on the website. The material relating to insurance may change between the time when you read this statement and the day when you acquire the product..

9. How to Open an Account

To open an account with FairVine, you will need to go to the Fund website at www.FairVine.com.au. FairVine's sign up process is entirely online and all member communications will be made available through the member portal at our website www.FairVine.com.au or via email. If you are unable to sign up online, please contact us on concierge@fairvine.com.au and we will provide you with an alternative sign up option.

Cooling-off Period

A "Cooling-off Period" of 14 days applies where you may cancel your membership account without incurring any fees or costs, except taxes or other government charges. This period commences from the earlier of the date you receive confirmation that your account has been opened and five days from when your super interest was issued to you. Any amount repaid under this provision may be adjusted for any increase or decrease in the investment values of the strategy you are invested in for that period. Where your contributions are subject to preservation requirements, these must be rolled over to another complying super fund. If the nomination by you cannot be effected, or if the Trustee cannot contact you, your benefit may be transferred to an eligible rollover fund.

Enquiries and Complaints Procedure

For enquiries regarding the Fund, please refer to the 'Fund Contact Details' on the website or call us on (02) 8322 8199. We aim to resolve all complaints quickly and fairly. If you have a complaint or would like a copy of our Enquiries and Complaints procedure, please contact us on (02) 8322 8199 or by email concierge@fairvine.com.au

If you are not satisfied with the response from us or have not received a response within 90 days, you may refer your complaint to the Australian Financial Complaints Authority (AFCA), an independent dispute resolution body. Strict time limits apply for lodging certain complaints with the AFCA; otherwise the AFCA may not be able to deal with your complaint.

You can contact AFCA at the following:

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

Telephone: 1800 931 678

Email: info@afca.org.au

Internet: www.afca.org.au