

# Suncorp Allocated Annuity Information Booklet



Issued 27 May 2017



## About us

Suncorp Life & Superannuation Limited (SLSL) (ABN 87 073 979 530, AFSL 229880) is the issuer of the Suncorp Allocated Annuity and a wholly owned subsidiary of the Suncorp Group.

SLSL provides investment and administration services to the Suncorp Allocated Annuity under a life insurance policy (policy), details of which are set out in this Information Booklet (IB). This policy is a non-participating policy. As a result, you don't have any right to any surplus in the statutory fund.

Investment option information is provided by Suncorp Corporate Services Pty Limited (SCS) (ABN 69 074 966 466), which includes their objectives, strategies and asset allocations. SCS has consented to the publication of this information in this IB (and any other material referred to) and hasn't withdrawn its consent at the time of its preparation. It takes no responsibility for any other information in this IB.

Various products and services are provided by different entities of the Suncorp Group. The different entities of the Suncorp Group are not responsible for, or liable in respect of, products or services provided by other entities of the Suncorp Group. The obligations of SLSL aren't guaranteed by any other company within the Suncorp Group. Suncorp Group and its subsidiaries don't guarantee the repayment of capital invested in, or the investment performance of this product. The Suncorp Allocated Annuity is not a bank deposit or other liability and is subject to investment risk including possible delays in repayment and loss of the interest and principal invested.

SLSL, SCS and Suncorp-Metway Limited (ABN 66 010 831 722, AFSL 229882) (Suncorp Bank), are related bodies corporate of Suncorp Group Limited (ABN 66 145 290 124).

Suncorp Bank is not liable nor responsible for, and does not guarantee or otherwise support, Suncorp Allocated Annuity accounts.

# About this Information Booklet

The Suncorp Allocated Annuity is provided by Suncorp Life & Superannuation Limited (SLSL), a wholly owned subsidiary of the Suncorp Group.

This IB and any other material referred to, were prepared on 20 April 2017. SLSL is the issuer of the IB (and any other material referred to) and takes responsibility for its contents. If you print an electronic copy of this document, please ensure you print all pages.

The information contained in this IB is of a general nature only and doesn't constitute financial advice. We haven't taken into consideration the personal objectives, circumstances or financial needs of any individual. Before deciding to continue to hold an interest, you should consider how the information contained in this IB relates to your own situation. We recommend that you speak to a financial adviser who will be able to help you with your investment decisions.

This IB (and the Significant Event Notice letter sent to you in April 2017) replaces any previous disclosure documents you have received in relation to the Optimum Allocated Annuity. This IB will be updated from time to time. Please make sure you read the latest version of this IB, before deciding to continue to invest into the Allocated Annuity. Visit our website, [suncorp.com.au/super](http://suncorp.com.au/super), to check you have the current version. The information in this IB may change. Where the change isn't materially adverse, we may update the information on our website at [suncorp.com.au/super](http://suncorp.com.au/super).

You can get a copy of this IB from our website at [suncorp.com.au/super](http://suncorp.com.au/super) or for a printed version, free of charge, just call us on 13 11 55.

The IB (and any other material referred to) can only be used by people receiving it (electronically or otherwise) in Australia.

## Definitions of terms used in this IB

Throughout this IB (and any other material referred to), unless otherwise specified, references to:

- 'we', 'us', 'our' and 'SLSL' mean Suncorp Life & Superannuation Limited
- 'adviser' means a qualified financial adviser
- 'bank account' means an Australian bank, building society or credit union account
- 'business day' means a Sydney business day other than a Saturday, Sunday or public holiday in Sydney
- 'you' and 'policy owner' means an account holder of the Allocated Annuity.

# How to use this Information Booklet

This IB provides details about the Suncorp Allocated Annuity and how it works. It includes additional information that is part of this IB. The life insurance policy supporting this product can be found towards the end of this IB. It is a more technical document containing the terms and conditions under which this account will operate.

It is very important that before making any investment decisions, you read this IB, the Significant Event Notice sent to you in April 2017 and any other material referred to in the IB.

If you've got any questions, or would like a free paper copy of the IB or any other material referred to, email us at [super@suncorp.com.au](mailto:super@suncorp.com.au) or call us on 13 11 55. We'll be happy to help.

Throughout this IB, we mostly refer to the Suncorp Allocated Annuity as just the 'Allocated Annuity'.

## Changes to the IB

In the world of investments, as in the real world, things change from time to time. So the information in this IB and any other material referred to, such as (but not limited to) the insurance policy, may change at any time. (The life insurance policy is a legal document that sets out the rules within which we have to operate and your rights as an account holder.)

If the change isn't likely to have a major impact on customers, we'll update the information on our website. If you'd like a free printed copy of the updated information, just ask us and we'll send you one in the post.

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# 1. About the Suncorp Allocated Annuity

The Suncorp Allocated Annuity is provided by Suncorp Life & Superannuation Limited (SLSL), a wholly owned subsidiary of the Suncorp Group.

The Allocated Annuity is a retirement income solution designed specifically to give you control. It provides a flexible way to receive a regular retirement income that allows you to manage your own investments.

The Allocated Annuity's main features and benefits include:

- Simple and transparent fees
- Investment choice
- Flexibility
- Tax benefits
- Reversionary nomination
- Lump sum death benefits
- Reporting
- Customer Service Centre

## The following is a summary of some of the advantages of investing in the Allocated Annuity

### Access to your capital

The Allocated Annuity gives you the freedom to access your capital at any time. Unlike traditional annuity products, there are no set investment term or capital return requirements. You retain control should you need urgent access to your money. On your death, any remaining balance can be paid out. Alternatively, you can nominate a reversionary beneficiary who will continue to receive your annuity payments.

### Choose the level of your income

One of the key features of an allocated annuity is the flexibility and control it gives you to choose and adjust your income to your needs, within Government regulated limits. These limits are adjusted as at 1 July each year according to your account balance and age. Your regular income payments will continue until your account balance is exhausted.

### Payment frequency

You can choose how often you'd like to receive your income payments – bi-monthly, monthly, quarterly, half-yearly or yearly. You simply nominate when you want to be paid and we'll look after the rest.

### Lump sum payments

If you need additional funds, you can generally withdraw lump sum amounts at any time. This gives you flexibility and freedom to match your income to your lifestyle.

### You choose your investment

Some retirement products lock your money away from the potential for capital growth. One of the biggest potential benefits an allocated annuity provides for retirees is the freedom to choose an investment strategy. Rather than being forced to retire your money to interest bearing deposits, the Allocated Annuity gives you the choice to invest through managed funds, across a range of growth and income assets. You can adjust your investment strategy at any time.

The Allocated Annuity allows your money to continue working for you in the asset classes you choose. With careful asset selection your money can continue to grow while you are drawing an income from it.

### Tax-effectiveness

Investing in an allocated annuity can be a tax-effective way to invest and receive an income in retirement.

### Deferral of lump sum tax

You generally would have paid no tax when you rolled your superannuation and Eligible Termination Payments into the Allocated Annuity when you opened your account.

### No tax on earnings

As your Allocated Annuity is designed to fund your retirement, your investment is free to grow, as investment earnings within the Allocated Annuity are tax-free.

### Tax concessions on income payments

Generally, the income you receive from your Allocated Annuity is included in your assessable income and taxed at your marginal rates. There may be tax concessions or offsets available on a portion of your annuity.

## 1. About the Suncorp Allocated Annuity (cont.)

### What happens to your money if you die?

A reversionary nomination allows your beneficiary to tax-effectively continue to receive your annuity payments when you die. Nominating a reversionary will affect the tax position of your annuity, so you can only nominate a reversionary beneficiary at the time you opened your account. Once in place, you cannot change the nomination.

If you have not nominated a reversionary beneficiary, you can instead nominate one or more dependants or your estate to receive part or all of the remaining value of your investment as a lump sum if you die. There are rules around who you can nominate to receive your benefits on your death – but it must be paid to your estate or one or more of your dependants. A dependant includes a:

- spouse (legal and de facto – including same-sex partners)
- child
- person in an interdependency relationship with you, and
- financial dependant.

### Make sure your beneficiary nomination is valid

For your nomination to be valid:

- each beneficiary must be a dependant and/or your Legal Personal Representative (ie the person who administers your estate on your death) at the time of your death, and
- if there is more than one beneficiary, the way you want the total distribution of your account to be made between them must be clearly stated in percentages, and the total must add up to 100 per cent.

Even though your beneficiary nominations won't expire, it's still a good idea to keep them up to date so they remain current and clearly reflect your wishes – especially after your circumstances change with things like marriage, divorce or when a beneficiary stops being dependent on you. If you'd like more information about beneficiaries or how to make or update a nomination, speak to your financial adviser or give us a call.

## 2. How does the Allocated Annuity work?

When you opened your account you would have invested one or more Eligible Termination Payments (ETPs) directly into the Allocated Annuity. ETPs include rollovers from complying superannuation funds, rollover institutions or ETPs received from your employer on resignation, retirement or redundancy. You were also able to include a lump sum superannuation contribution in your original investment, provided you were able to contribute at that time.

In certain circumstances, small businesses and certain individuals were also able to claim Capital Gains Tax relief to roll over the proceeds of the sale of business assets, where the capital gain proceeds are used for retirement purposes. This special ETP component is called a 'CGT Exempt Amount'.

Generally, to have started your Allocated Annuity, you must have satisfied a condition of release as defined under superannuation law, which means that there was no restriction on when you could cash your superannuation benefits. These conditions of release were largely linked to age and employment status and included the following:

- Retirement – permanently retiring after reaching your 'preservation age' (see the table below)
- Retirement – leaving your employer after turning age 60
- Reaching age 65
- Permanent incapacity

You were also able to start your Allocated Annuity with:

- any part of your superannuation that was an 'unrestricted non-preserved benefit' (meaning you could access it freely) without the need to satisfy one of these conditions of release
- a rollover from another annuity or pension.

Your date of birth	Your preservation age
Before July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
1 July 1964 onwards	60

### Policy schedule

When you opened your account you were provided with a Policy Schedule with your details. Your Policy Schedule and the Policy terms at the back of this IB comprise your policy, which forms a legally binding contract between you and us. In the case of any differences between the Policy Schedule and the Policy, the Policy prevails and is a more updated document. To understand the nature of your investment, you should read these documents carefully and retain them for future reference.



## 2. How does the Allocated Annuity work? (cont.)

### Can I add money to my account?

No. Now that your account has started you can't add any more money.

### How are my minimum and maximum annuity payment limits calculated?

Your Allocated Annuity payment amount must be within annual minimum and maximum limits set by the Government. The limits for each financial year are calculated by dividing your account balance on 1 July by the pension valuation factor (PVF) applying to your age (see table on the right). You can adjust the level of your payments within these limits at any time.

#### Example calculation

If you are aged 65 on 1 July, with \$100,000 in your account, you can nominate to receive annuity payments of any amount between \$6,370 and \$12,350 for the financial year. These limits are calculated below:

$$\text{Minimum limit} = \frac{\text{account balance}}{\text{minimum PVF}} = \frac{\$100,000}{15.7} = \$6,370^*$$

$$\text{Maximum limit} = \frac{\text{account balance}}{\text{maximum PVF}} = \frac{\$100,000}{8.1} = \$12,350^*$$

\*Rounded to the nearest \$10.

### Minimum and maximum pension valuation factors

Age	Min	Max
50	21.5	9.9
51	21.2	9.9
52	20.9	9.8
53	20.5	9.7
54	20.1	9.7
55	19.8	9.6
56	19.4	9.5
57	19.0	9.4
58	18.6	9.3
59	18.2	9.1
60	17.8	9.0
61	17.4	8.9
62	17.0	8.7
63	16.6	8.5
64	16.2	8.3
65	15.7	8.1
66	15.3	7.9
67	14.9	7.6
68	14.4	7.3
69	14.0	7.0
70	13.5	6.6
71	13.1	6.2
72	12.6	5.8
73	12.2	5.4
74	11.7	4.8
75	11.3	4.3

Age	Min	Max
76	10.8	3.7
77	10.4	3.0
78	10.0	2.2
79	9.5	1.4
80	9.1	1.0
81	8.7	1.0
82	8.3	1.0
83	7.9	1.0
84	7.5	1.0
85	7.1	1.0
86	6.8	1.0
87	6.4	1.0
88	6.1	1.0
89	5.8	1.0
90	5.5	1.0
91	5.3	1.0
92	5.0	1.0
93	4.8	1.0
94	4.6	1.0
95	4.4	1.0
96	4.2	1.0
97	4.0	1.0
98	3.8	1.0
99	3.7	1.0
100 or more	3.5	1.0



## 2. How does the Allocated Annuity work? (cont.)

### How do I calculate my deductible amount?

The 'deductible amount' of your Allocated Annuity is not subject to tax. Generally, this amount was calculated when your account started. Please speak to your adviser if you need to obtain this information.

### What are the social security implications of investing in an allocated annuity?

Centrelink currently assesses allocated annuities under both the income and assets tests. Your account balance will be included in the assets test. Under the income test, your annuity payments will be tested, with a deduction for a portion of the purchase price calculated each year by reference to your life expectancy. We recommend you contact your adviser if you need assistance in this area.

### How are my benefits paid?

Regular payments are made to you from your account until the balance is exhausted. You can also request a lump sum withdrawal of part, or all of your balance (less tax) at any time, subject to restrictions contained in clauses 3.5 and 4.4 of the policy terms and conditions later in this IB.

### When does my annuity cease?

This product may not pay you an annuity for the rest of your life. Your annuity ceases when the account balance reaches zero, or if a partial withdrawal brings your account balance below the minimum annuity payment in that year.

The balance of your account (less any tax and fees) will be paid to you at our discretion if your balance at any time falls below the minimum annuity payment in the following financial year, provided this payment, together with payments already made, does not exceed the maximum annuity amount for the current financial year. The balance of your account (less any tax and fees) will also be paid if you decide to terminate the policy on your death. If you die, the balance of your account will be paid either as a lump sum or to provide a continuing annuity to a reversionary beneficiary that you nominate.

### How do I make a lump sum withdrawal?

You will need to complete a withdrawal form, available from our website. If you are not withdrawing the whole of your account balance, you must specify the amount or percentage to be withdrawn from each investment option to the total withdrawal amount requested.

### 3. Risks of investing

Investing in the Allocated Annuity carries certain financial risks. One of the biggest is that you won't end up with enough money to meet your retirement needs. This could happen when:

- an investment decreases in value
- money is invested conservatively in assets which provide more stable but lower long-term returns.

It's a good idea for you to consider what these risks might mean for you. If you're not sure how you feel about risk, give us or your adviser a call.

#### General risks that could affect your account

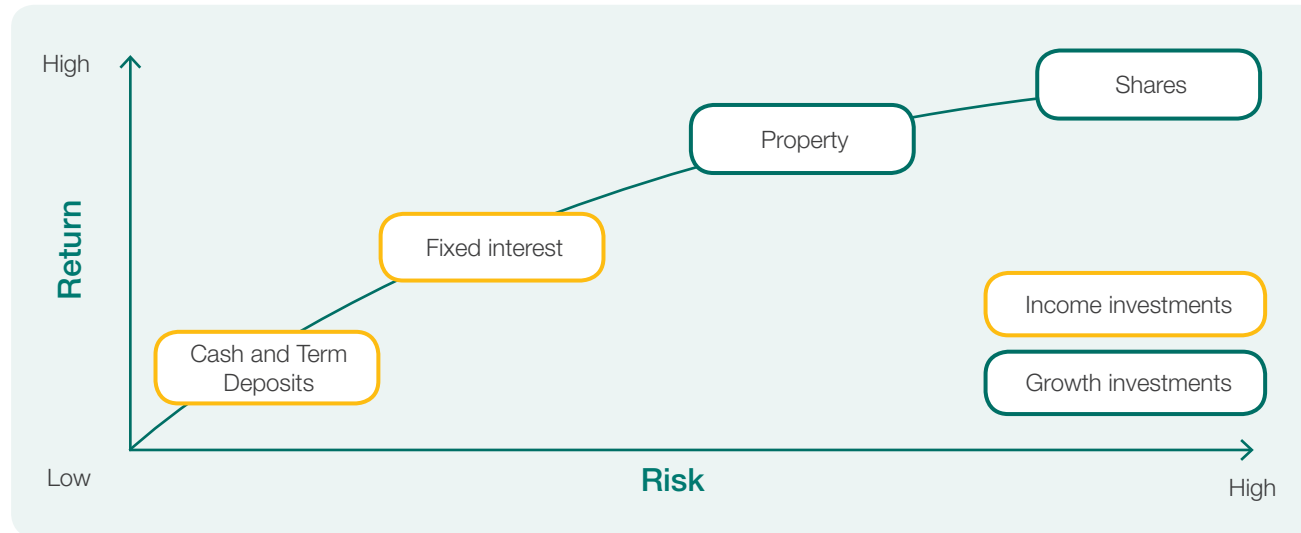
Some of the risks that could affect your investments in your account are shown in the table on the right. We regularly monitor these risks for their impact on the investment menu as a whole, but it's a good idea for you to consider what they might mean for you.

Risk type	What is it?
<b>Market risk</b>	This can arise due to changes in government or economic policy, interest rates and exchange rates, market sentiment, global events, technological change, environmental conditions or changes in legislation. All these things can adversely affect the financial markets in which your money may be invested.
<b>Investment options risk</b>	Investment managers and the strategies they adopt may change, which may not be in line with your expectations when you first invested. They may also fail to meet their stated investment objectives. It's also possible an investment option may be terminated.
<b>Liquidity risk</b>	This arises where an investment can't be easily converted into cash or sold at fair value, at a time when you need it.
<b>Credit risk</b>	This is where someone doesn't meet their obligations in, or relating to, an investment option. For example, it includes the risk that we or an underlying investment manager are unable to make payments.
<b>Interest rate risk</b>	The value of fixed interest investments such as bonds will fall when interest rates rise, and vice versa.
<b>Inflation risk</b>	If inflation exceeds an investment's return, it will reduce the investment's purchasing power. Inflation risk is more common in low-risk investments such as cash, which generally fluctuate less but potentially provide lower long-term returns.
<b>Currency risk</b>	The value of international investments will change with the rise and fall of the Australian dollar. Generally, if the Australian dollar's value rises, the value of unhedged investments (those not linked to the Australian dollar) held in other countries will fall, and vice versa. An investment manager can manage currency risk via a strategy referred to as 'currency hedging'.
<b>Derivatives risk</b>	Derivatives are securities that derive their value from another security. Commonly known derivatives include futures and options. Investment managers may use derivatives to manage risks in a portfolio or to leverage a portfolio in the hope of generating additional returns. The risks of using derivatives include that they may be costly or difficult to reverse and their value may not move in line with that of the underlying security.
<b>Gearing risk</b>	Gearing involves borrowing money to invest in an asset. Geared investment options are internally geared, meaning the investment option borrows the money, rather than you. The cost of borrowing, including interest rates, and the level of gearing influence returns on a geared investment. Gearing magnifies both the gains and losses of an investment option.
<b>Changes in law</b>	Legislation changes frequently. These changes could affect when you can access your money and how they'll be treated upon withdrawal. We'll tell you about any changes we think are likely to affect your investment. Generally, we'll do this when we send your annual statement each year.

### 3. Risks of investing (cont.)

#### The relationship between risk and return

As a general rule, investment options with a higher level of risk will provide a higher potential return over time. By the same token, the smaller the risk the investment option poses, the smaller the potential return it will provide. This has been illustrated below:



#### Reducing investment risk

The most common way to reduce your risk is by diversification, or 'not putting all your eggs in one basket'. The Allocated Annuity can help you diversify your investment.

#### How we can help you diversify your investment

<b>Using our diversified investment options</b>	We'll invest your money across a range of investments, including cash, fixed interest, property and shares.
<b>Across our single-sector investment options</b>	You can invest in a range of investments, including cash, Australian fixed interest, property and Australian and international shares.

## 4. How we invest your money

When it comes to investing with the Allocated Annuity, you and your adviser can choose your own investment mix.

### Where your money is invested

Matching your investments to your risk profile, and to your long-term lifestyle goals, is a good start to achieving your retirement goals. With the Allocated Annuity's menu there's sure to be an investment option, or a combination of investment options, to suit you. It's just a matter of finding out what they are and discussing with your financial adviser the investment strategy that's right for you.

### Understanding the asset classes

Each investment option is invested into what are called 'underlying assets'. These underlying assets have different characteristics and may be either income assets or growth assets or a combination of both.

- Income assets include such things as cash and fixed interest, which provide income returns in the form of interest.
- Growth assets include property, shares and alternative assets, which provide for investment returns comprising both capital growth (increase in value of the investment) and income.

### The investment manager

We have entered into an Investment Management Agreement with SCS for the investment options available to you.

SCS and SLSL are related bodies corporate and members of the Suncorp Group. SCS is made up of investment professionals from within the Suncorp Group and provides investment advice such as investment strategy, asset allocation and sub-investment manager selection to a number of entities within the Suncorp Group.

### Multi-manager investment options

A multi-manager approach to investing uses the skills of more than one investment manager. It's based on the view that no single investment manager consistently outperforms the market in all conditions. Over any given timeframe, it's difficult to predict which investment managers or which investment style will outperform the market and its peers. Some investment styles will perform well in one stage of the market cycle, while others may perform poorly in the same conditions.

The Allocated Annuity's multi-manager investment options blend a combination of quality investment management styles to create investment options aimed at reducing investment risk and the volatility of returns.

The Allocated Annuity offers you access to a range of multi-manager investment options. For more information on these options, please refer to the investment profiles later in this IB.

Asset class	What is it?
<b>Cash</b>	Cash generally refers to short-term liquid investments and may include bank deposit securities, such as term deposits.
<b>Fixed interest</b>	Fixed interest generally refers to debt instruments issued by governments and companies. Investments may include bonds, debentures and other hybrid securities. The value of fixed interest assets may go up or down.
<b>Property</b>	Property generally refers to direct or indirect property investments in Australian and international property via listed and unlisted real estate trusts (REITs), exchange traded funds (ETFs) and companies.
<b>Infrastructure</b>	Infrastructure refers to the structures, systems, and facilities serving a country, city, or area including the services and facilities necessary for its economy to function. Infrastructure generally refers to direct or indirect infrastructure investments in Australia and overseas via ETFs and companies.
<b>Shares</b>	Shares represent a part ownership in a company (ie a share). Returns from the ownership of shares combine both the income received (dividends) and growth (capital gains) through the increase in the share price. The value of international shares may also be affected by fluctuations in the exchange rate.
<b>Alternative assets</b>	Alternative assets are investments that are not classified or may not be correlated to the traditional asset classes of cash, fixed interest, property or shares. Typically they may involve investments in asset classes (eg commodities such as gold, infrastructure or private equity) or investment strategies (eg financial instruments such as exchange traded or Over The Counter (OTC) derivatives, or trading techniques) that aren't liquid and require specialised skills to manage.

## 4. How we invest your money (cont.)

### Choose your own investment mix

Manage your own investments by building your own investment portfolio from our diversified and single-sector investment options. They're designed to suit a broad range of investors.

The following section provides an investment profile for each of our investment options. We've also illustrated how the investment profiles work.

Suncorp Australian Shares Value Fund			
Investment manager	Suncorp Corporate Services		
Style	Value		
Investment objective	To achieve a return in excess of S&P/ASX 200 Accumulation Index by 2.5% pa over rolling 3-year periods.		
Investment strategy	The fund invests in Australian equities, including ordinary shares, preference shares, exchange traded options, warrants, convertible securities and other securities with an equity nature listed on the Australian Stock Exchange. The fund can also invest in derivatives, including futures, options and sub-underwriting of shares or units in which the market value of the portfolio and 5% of any or		
Investment mix	Asset type	Strategic asset allocation (%)	Range (%)
	Australian shares	100	80 – 100
	Cash	0	0 – 20
Investment timeframe	5 years plus		
Investment fee	0.45% pa		
Buy-sell spread as at 31 March 2017	+/- 0.30%		
Performance fee	No		

This is a general description of the investment

There are different approaches to investing money, including 'index' where the investment option has the same exposure to a group of securities as an index (eg S&P/ASX 200 Accumulation Index) or 'active' where the investment manager makes decisions to invest or not in a particular security based on their own research and valuation

This describes the target investment return and risk. Sometimes an objective refers to an index which measures the value of a group of investments. Indices such as the S&P/ASX 200 Accumulation Index and the UBS Global Investors Index are used by investment managers in Australia and around the world to benchmark their performance against

This is how the investment option invests to achieve its objective

This shows the long-term target asset allocation (or investment mix)

This is the recommended minimum length of time to hold this investment option

This shows the minimum and maximum investment limits of each asset class. Within these ranges the investment manager may move away from the strategic asset allocation if it believes it can achieve additional return or reduce risk

## 4. How we invest your money (cont.)

Diversified investment options	Type	Page
<b>Conservative</b>		
Suncorp Traditional Conservative Fund	Multi-manager	12
<b>Balanced</b>		
Suncorp Traditional Balanced Fund	Multi-manager	13
<b>Growth</b>		
Suncorp Traditional Growth Fund	Multi-manager	13
Single sector options	Type	Page
<b>Cash</b>		
Suncorp Guaranteed Cash Fund	Single manager	14
<b>Australian fixed interest</b>		
Suncorp Australian Fixed Interest Fund	Single manager	14
<b>Australian listed property</b>		
Suncorp Australian Listed Property Index Fund	Single manager	15
<b>Australian shares</b>		
Suncorp Australian Shares Multi-Manager Fund	Multi-manager	15
Suncorp Australian Shares Value Fund	Single manager	16
<b>International shares</b>		
Suncorp International Shares Multi- Manager Fund	Multi-manager	16

Suncorp Traditional Conservative Fund			
Investment manager	Suncorp Corporate Services Pty Ltd		
Style	Multi-manager		
Investment objective <sup>1</sup>	The fund aims to earn a rate of return that exceeds the strategic asset allocation weighted composite return of the sector benchmarks over a rolling 3-year period.		
Investment strategy	Holds a diversified mix of growth and income investments, with a tilt towards fixed income and cash.		
Investment mix	Asset type	Strategic asset allocation (%)	Range (%)
	Australian shares	17.0	10 – 30
	International shares	17.0	10 – 30
	Australian listed property	4.0	0 – 15
	Unlisted property	0	0 – 15
	Australian fixed interest	16.0	0 – 40
	International fixed interest	17.0	0 – 40
	Cash	29.0	10 – 50
Investment timeframe	3 years		
Investment fee	0.43% pa		
Buy-sell spread as at 31 March 2017	+/- 0.10%		
Performance fee	No		

## 4. How we invest your money (cont.)

Suncorp Traditional Balanced Fund			
<b>Investment manager</b>	Suncorp Corporate Services Pty Ltd		
<b>Style</b>	Multi-manager		
<b>Investment objective<sup>1</sup></b>	The fund aims to earn a rate of return that exceeds the strategic asset allocation weighted composite return of the sector benchmarks over a rolling 5-year period.		
<b>Investment strategy</b>	Holds a balanced diversified mix of growth and income investments.		
Investment mix	Asset type	Strategic asset allocation (%)	Range (%)
	Australian shares	25.0	15 – 45
	International shares	25.0	15 – 45
	Australian listed property	5.0	0 – 15
	International listed property	4.0	0 – 15
	Unlisted infrastructure	4.0	0 – 20
	Unlisted property	0	
	Australian fixed interest	11.0	0 – 25
	International fixed interest	7.0	0 – 25
	Cash	19.0	5 – 30
<b>Investment timeframe</b>	5 years plus		
<b>Investment fee</b>	0.43% pa		
<b>Buy-sell spread as at 31 March 2017</b>	+/- 0.14%		
<b>Performance fee</b>	No		

Suncorp Traditional Growth Fund			
<b>Investment manager</b>	Suncorp Corporate Services Pty Ltd		
<b>Style</b>	Multi-manager		
<b>Investment objective<sup>1</sup></b>	The fund aims to earn a rate of return that exceeds the strategic asset allocation weighted composite return of the sector benchmarks over a rolling 7-year period.		
<b>Investment strategy</b>	Holds a diversified mix of growth and income investments, with a tilt towards shares, property and infrastructure.		
Investment mix	Asset type	Strategic asset allocation (%)	Range (%)
	Australian shares	32.0	20 – 50
	International shares	36.0	20 – 50
	Australian listed property	5.0	0 – 15
	International listed property	4.0	0 – 15
	Unlisted infrastructure	5.0	0 – 20
	Unlisted property	0	
	Australian fixed interest	3.0	0 – 20
	International fixed interest	4.0	0 – 20
	Cash	11.0	0 – 40
	<b>Investment timeframe</b>	7 years	
<b>Investment fee</b>	0.45% pa		
<b>Buy-sell spread as at 31 March 2017</b>	+/- 0.17%		
<b>Performance fee</b>	No		



## 4. How we invest your money (cont.)

Suncorp Guaranteed Cash Fund			
Investment manager	Suncorp Corporate Services Pty Ltd		
Style	Active		
Investment objective <sup>1</sup>	To outperform the Bloomberg AusBond Bank Bill Index over any 3-year period through exposure to short-term highly rated credit investments.		
Investment strategy	The fund is restricted to investing in debt securities issued or guaranteed by Australian government and semi-government authorities, fixed interest instruments, floating rate instruments and short-term deposits or loans, bills of exchange, promissory notes or other negotiable instruments. Derivatives are permitted. Suncorp Life & Superannuation Limited guarantees that the unit price of the Suncorp Guaranteed Cash Fund will not fall.		
Investment mix	Asset type	Strategic asset allocation (%)	Range (%)
	Cash	100	100
Investment timeframe	1 year plus		
Investment fee	0.50% pa		
Buy-sell spread as at 31 March 2017	Nil		
Performance fee	No		

Suncorp Australian Fixed Interest Fund			
Investment manager	Suncorp Corporate Services Pty Ltd		
Style	Multi-manager		
Investment objective <sup>1</sup>	Aims to outperform the Bloomberg AusBond Composite (All Maturities) Index over any rolling 3-year period.		
Investment strategy	Invests predominantly in cash, term deposits, floating rate notes, Australian government and semi-government securities, and money market financial instruments including bank accepted bills, promissory notes and certificates of deposit and credit securities with a minimum S&P credit rating of BBB-. The fund is permitted to invest in derivatives but not for gearing purposes.		
Investment mix	Asset type	Strategic asset allocation (%)	Range (%)
	Australian fixed interest	100	50 – 100
	Cash	0	0 – 50
Investment timeframe	3 years		
Investment fee	0.20% pa		
Buy-sell spread as at 31 March 2017	+/- 0.05%		
Performance fee	No		

## 4. How we invest your money (cont.)

Suncorp Australian Listed Property Index Fund			
Investment manager	Suncorp Corporate Services Pty Ltd		
Style	Index – Market Capitalisation		
Investment objective <sup>1</sup>	The fund seeks to track the return (income and capital appreciation) of the S&P/ASX 300 A-REIT Accumulation Index before taking into account fund fees, expenses and tax.		
Investment strategy	Invests in a range of securities on the Australian Stock Exchange.		
Investment mix	Asset type	Strategic asset allocation (%)	Range (%)
	Property related securities	100	95 – 100
	Cash	0	0 – 5
Investment timeframe	5 years plus		
Investment fee	0.16% pa		
Buy-sell spread as at 31 March 2017	+/- 0.21%		
Performance fee	No		

Suncorp Australian Shares Multi-Manager Fund			
Investment manager	Suncorp Corporate Services Pty Ltd		
Style	Multi-manager		
Investment objective <sup>1</sup>	The fund aims to provide distributable income and achieve capital growth over time. The fund aims to outperform the S&P/ASX 200 Accumulation Index over rolling 3-year periods.		
Investment strategy	The fund aims to meet its objective by investing in a diversified range of securities listed on the Australian Stock Exchange.		
Investment mix	Asset type	Strategic asset allocation (%)	Range (%)
	Australian shares	100	90 – 100
	Cash	0	0 – 10
Investment timeframe	5 years plus		
Investment fee	0.25% pa		
Buy-sell spread as at 31 March 2017	+/- 0.23%		
Performance fee	No		

## 4. How we invest your money (cont.)

Suncorp Australian Shares Value Fund			
Investment manager	Suncorp Corporate Services Pty Ltd		
Style	Value		
Investment objective <sup>1</sup>	To achieve a return in excess of S&P/ASX 200 Accumulation Index by 2.5% pa over rolling 3-year periods.		
Investment strategy	The fund will invest in ordinary shares, preference shares, exchange traded options, warrants, convertible notes and other securities of an equity nature listed on the Australian Stock Exchange. The fund can participate in the underwriting and sub-underwriting of shares or units in which the manager is permitted to a maximum of 10% of the market value of the portfolio and 5% of any one issue. The fund will hold a minimum of 20 stocks.		
Investment mix	Asset type	Strategic asset allocation (%)	Range (%)
	Australian shares	100	80 – 100
	Cash	0	0 – 20
Investment timeframe	5 years plus		
Investment fee	0.45% pa		
Buy-sell spread as at 31 March 2017	+/- 0.30%		
Performance fee	No		

Suncorp International Shares Multi-Manager Fund			
Investment manager	Suncorp Corporate Services Pty Ltd		
Style	Multi-manager		
Investment objective <sup>1</sup>	To provide strong long-term capital growth by investing in the global sharemarket. The fund aims to outperform (before ongoing fees) the MSCI All Countries World Index ex Australia (with net dividends re-invested) in A\$ (unhedged) over rolling 5-year periods.		
Investment strategy	The fund invests in a combination of international investment managers, each with their own particular investment strategy. Derivatives are permitted to ensure a balance of return and risk.		
Investment mix	Asset type	Strategic asset allocation (%)	Range (%)
	International shares	100	90 – 100
	Cash	0	0 – 10
Investment timeframe	7 years plus		
Investment fee	0.80% pa		
Buy-sell spread as at 31 March 2017	+/- 0.20%		
Performance fee	No		

## 5. Other important information about how we invest your money

### <sup>1</sup> Notes for the Suncorp Traditional Funds

Benchmark indices for the Suncorp Traditional Funds.

Asset sector	Asset class benchmark
Australian Shares	S&P/ASX 200 Accumulation Index
International Shares	MSCI ACWI (All Countries World Index) ex-Australia (with net dividends reinvested)
International Shares (hedged)	MSCI ACWI (All Countries World Index) ex-Australia (with net dividends reinvested) hedged into Australian dollar
Australian Listed Property	S&P/ASX 200 A-REIT Accumulation Index
International Listed Property	FTSE EPRA/NAREIT Developed ex Australia Rental Index, in Australian Dollars (and Australian Dollar Hedged)
Infrastructure	Absolute return of 8.75% pa after fees and expenses
Unlisted Property	Absolute return of 8.0% pa
Australian Fixed Interest	Bloomberg AusBond Composite Index
International Fixed Interest (Hedged)	Bloomberg Barclays Global Aggregate A\$ Hedged Index
Cash	Bloomberg AusBond Bank Bill Index

### Changing your investment strategy

The Allocated Annuity gives you the flexibility to switch between your investment options and change your investment strategy at any time. You can even have your current account balance invested differently to your annuity payment strategy, if you want.

For some investment options a Product Disclosure Statement (PDS) is issued by the underlying investment manager. You can download copies from our website or ask us for a printed version.

Before you select or change your investments to a new investment option, you should consider the relevant investment manager's PDS or speak to a financial adviser.

In general, if there's a conflict between the terms and conditions shown in an investment manager's PDS and this IB, you should refer to this IB to understand the terms and conditions applying to your investment.

### Changes to investment options

The Allocated Annuity's investment menu may change so it's important to check our website regularly.

From time to time, investment options may be closed, suspended or terminated by an external investment manager or by us. This may happen where:

- the investment option is no longer offered by the investment manager, or
- the total amount of investors' money in the investment option has grown too large for the investment manager to continue with its current investment strategy, or
- laws change so that some investment types become no longer permissible, or
- we determine that it's in the best interests of customers, or
- the investment option becomes illiquid, or
- the investment option may no longer be economically viable.

If an investment option is closed, suspended or terminated, there may be delays in processing withdrawals. Such a delay may exceed 30 days. The unit price used to process your transaction may therefore differ from the price applicable on the day you lodged your request.

Where an investment option is closed, suspended or terminated, we'll contact you in advance (where possible) to tell you. You'll then be able to review your strategy.

If we can't tell you in advance we'll choose a replacement investment option (one that is comparable to your investment option) in which to invest your money until you've been able to review your investment strategy.

We don't take labour standards, environmental, social and ethical considerations into account when selecting, retaining or terminating investment options.

## 5. Other important information about how we invest your money (cont.)

### Other important information about how we invest your money

#### Unit prices

For all investment options, your balance in that investment option is calculated by multiplying the number of units you hold by the investment option's exit price. Your unit balance represents a partial holding in an investment option and moves up or down over time.

#### Calculation of unit prices

Unit prices are usually calculated daily and reflect the value of the underlying assets of the investment option. This takes into account income entitlements, investment fees, transaction costs, other expenses and liabilities. The underlying asset value is divided by the number of units on issue to arrive at the price per unit.

Like the values of the underlying investments, the price of units can move up and down.

The daily unit prices for each investment option are quoted on our website.

#### Unit pricing delays

We may suspend unit pricing where in our opinion:

- A significant event or incident occurs that has the potential to affect investment markets
- An event occurs that has the potential to affect unit prices
- An external investment manager closes the underlying investment to applications and withdrawals
- The unit prices calculated have the potential to prejudice specific investors.

#### Buying units

When you switch into an investment option, units in your chosen investment option are allocated to you. The number of units you receive will depend on the investment option's entry price at that time and the amount you invest.

#### Selling units

When we sell units in an investment option, the amount you receive will depend on the exit price of the investment option's units at that time and the number of units sold.

We can sell units from your investment options to pay for certain fees or charges. We also sell units when you switch to another investment option or request a withdrawal.

#### Switching between investment options

If you request a switch, we'll sell units from one investment option and use the proceeds to buy units in the other investment option. The buy-sell spread is applied to cover transaction costs associated with processing the switch.

#### No earnings tax on your investments

The Allocated Annuity is exempt from earnings tax on investments.

#### How investment performance is calculated

Investment performance lets you see how your investment is going. It's important to remember that your balance can go up and down and that past performance is not an indicator of future performance.

In accordance with industry standards, investment performance is generally calculated net of taxes, levies and ongoing fees such as the administration fee, performance fee, and investment fee. However, when calculating investment performance, we generally don't take into account any discretionary ongoing fees such as advice fees. If we calculate the investment performance for an investment option in a way different from that set out above, we'll explain this in the monthly Investment Performance Report which is available from our website.

Please note that the investment performance information for the investment options may differ from the performance of the underlying investment managers. This may be due to:

- holding some assets in cash or short-term securities, for liquidity purposes, or
- provisions for tax, levies and distribution of tax credits, or
- the fees and charges that apply, or
- a lag between when the underlying investment managers report their performance and when the value of the underlying investment option is reflected in the unit prices.

#### Related companies

We, Suncorp-Metway Limited (ABN 66 010 831 722, AFSL 229882), Suncorp Funds Pty Ltd (ACN 153 008 354) and SCS are part of the Suncorp Group.

We don't deal with our related companies more favourably than we would with any other independent service provider.

We invest your money in a variety of ways including directly in trusts issued by Suncorp Funds Pty Ltd.

## 6. Fees and costs

This section of the IB shows the fees and costs that you may be charged.

The fees and costs you may be charged are deducted from your account balance, the returns on your investment or from the assets of the statutory fund as a whole.

Taxes are set out later in this IB. You should read all the information about fees and costs because it's important to understand their impact on your investment. Except where otherwise stated, all fees deducted from your account are in arrears.

### 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 services justify higher fees and costs.

Type of fee or cost	Amount	How and when paid
<b>Investment fee</b>	Ranges from 0.16% pa to 0.80% pa depending on the investment option(s) you've chosen.	This fee is included in the daily unit price calculation for each investment option.
<b>Administration fee</b>	Up to 0.95% pa of your account balance less any applicable administration fee discounts.	This fee is calculated on the average value of your account balance for the month. It's deducted by withdrawing units from your account effective on or around the last day of the month (or earlier, if you leave the Allocated Annuity part way through a month) once all unit prices are available for your chosen investments.  Please see the 'Additional explanation of fees and costs' section for information on administration fee discounts.
<b>Buy-sell spread</b>	Ranges from 0.00% pa to +/-0.30% pa	Reflected in the buy and sell unit price of each investment option.
<b>Switching fee</b>	Nil	
<b>Exit fee</b>	Nil	
<b>Advice fees relating to all members investing in a particular investment option</b>	Nil	
<b>Other fees and costs</b>	See the Additional explanation of fees and costs section for more information	
<b>Indirect cost ratio</b>	Nil	

## 6. Fees and costs (cont.)

### Additional explanation of fees and costs

#### Example of fees and costs

The following table gives an example of how the fees and costs for the Suncorp Traditional Balanced Fund in the Allocated Annuity affect your investment over a one year period. You should use this table to compare the Allocated Annuity with other products.

EXAMPLE – Suncorp Traditional Balanced Fund Balance of \$50,000		
Investment fees	0.43% pa	For every \$50,000 you have invested in the Suncorp Traditional Balanced Fund you will be charged \$215 each year
PLUS Administration fees	0.95% pa	And, you will be charged \$475 in administration fees
PLUS Indirect costs for the Suncorp Traditional Balanced Fund	Nil	And, indirect costs of \$0 each year will be deducted from your investment
EQUALS cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$690.

Please note you'll receive an administration fee discount if your account balance is over \$100,000. See below.

#### Administration fee discounts

We reward you as your account balance grows. The greater the balance, the bigger the discount you'll get on the percentage administration fee.

For balances:	Discount on percentage administration fee	How and when paid?
Over \$100,000 to \$250,000	0.10% pa	This administration fee discount is calculated on the average value of your account for the month and is taken into account when the administration fee is charged.
Over \$250,000 to \$500,000	0.25% pa	
Over \$500,000	0.60% pa <sup>1</sup>	

<sup>1</sup> The discount is 0.85% pa until 1 August 2017.

#### GST and taxes

All fees in this IB are quoted on a net basis, and inclusive of GST (less any available reduced input tax credits). Fees are also net of other government duties and taxes. This means that the fees you see are the fees you'll actually pay.

For more information on tax, please see Tax in this IB.

### What is paid to your adviser?

We pay up to 0.55% pa to your adviser's Licensee. This amount is charged the same way and at the same time (and in addition to) the administration fee, except no discounts apply. Any applicable GST is not payable by you.

### Expenses

We may deduct the following investment expenses from the assets of the investment options.

- costs incurred in purchasing, redeeming and valuing assets (as applicable),
- applicable federal and state taxes, duties and charges, and
- any costs incurred in obtaining investment advice.

Non-investment costs associated with preparing and issuing this IB, and also preparing any policies and associated documents for this product, may also be deducted from the investment options.

At the issue date of this IB, none of these additional (ie non-investment) costs have been deducted from the unit prices.

### Changes to fees and costs

The administration fee can be increased to a maximum of 2.5% pa of your account balance. We will provide you with at least three months' notice of any increase to this fee.

Investment fees and buy-sell spreads can change as on the next page.

We also reserve the right to pass on without notice, any Government taxes or charges currently applying, or which may apply in the future.

### Payments to and from other parties

Any payments (or benefits) we make to, or receive from, other parties won't be an additional cost to you (unless otherwise stated in this IB or any other material referred to in this IB).



## 6. Fees and costs (cont.)

### Fees relating to investment options

You can get the latest investment fees, performance fees and buy-sell spreads from the monthly Suncorp Allocated Annuity investment performance report available on our website, or by calling us.

#### Investment fees

The investment fee is charged by us. This fee generally includes fees paid to the investment managers of underlying trusts, audit, custody and other general costs incurred in the administration of the investment option.

#### Indirect cost ratio

This ratio is the total of the indirect costs for an investment option to the total average net assets of the statutory fund attributed to the investment option. Indirect costs are any amount that will reduce the return on an investment option that is not charged to you as a fee. It is an additional cost to you.

#### Buy-sell spreads

You may incur a buy-sell spread when you receive annuity payments, pay administration fees, withdraw or change your investment options. This 'spread' is the difference in the buying price and selling price of the investment option, and generally covers the transaction costs of buying and selling the underlying assets of that investment option. It ensures that non-transacting customers are not disadvantaged by the activity of transacting customers. The spread isn't a fee paid to us or the investment manager. It is retained within the investment option to cover the transaction costs.

The investment manager (including us) may vary the buy-sell spread costs from time to time including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed in the monthly investment performance report on our website or by calling us.

## 7. Tax

### Tax on Allocated Annuities

Tax legislation has changed since you purchased your Allocated Annuity. The information in this section is based on our interpretation of tax legislation at the preparation date of the IB and assumes you are an Australian tax resident.

As tax can be complex, we recommend that you seek advice from a registered tax adviser in respect of your own individual circumstances.

### Tax on rollovers and investment earnings

Generally, benefits from complying superannuation funds are not taxed when rolled into a retirement income stream by a person aged 60 or over, such as an allocated annuity. However, any part of an ETP comprising of an 'untaxed element' may be subject to tax up to the cap amount. If you exceed the contribution caps, there may be additional tax consequences.

Broadly, an 'untaxed element' arises from amounts received from an untaxed source, such as:

- certain public superannuation funds, or
- a golden handshake paid by an employer.

You will be directly liable for any surcharge assessment received after you have started your Allocated Annuity. However, you can meet this cost by a withdrawal if you wish.

CGT Exempt Amounts do not attract an income tax deduction, nor will they be subject to contributions tax when rolled over to a superannuation fund or retirement income stream. They do not form part of adjusted taxable income for superannuation surcharge purposes.

### Taxation of investment earnings

The investment earnings of an allocated annuity are not taxed. This may enable an investment in an allocated annuity to achieve higher net earnings than similar investments held elsewhere.

### Taxation of benefits

#### Benefits paid as an annuity

For individual income tax purposes, the annuity payments are split into a 'deductible' amount, and an 'assessable' amount.

The assessable amount is included in your assessable income and taxed at your marginal rates.

The 'deductible' amount is tax-free. This amount represents the return of your initial capital investment. It is calculated using the following formula:

$$\frac{\text{Undeducted purchase price} - \text{residual capital value}}{\text{Annuity term or your life expectancy at the relevant time}}$$

You may also be eligible for a tax offset of up to 15% of the tax payable on your pension if:

- you are between preservation age to 59
- your Allocated Annuity is a disability payment, or
- your Allocated Annuity is being paid as a result of the death of a person, and it did not contain what was known as an excessive component.

The offset only applies to the proportion of your Allocated Annuity funded with benefits within your lump sum Reasonable Benefit Limit (RBL).

If you have questions about your entitlement or completing your tax return, consult your registered tax adviser.

#### Benefits paid as a lump sum

A withdrawal is tax free if you purchased your annuity with money rolled over within the superannuation system. A withdrawal from an annuity purchased with money from outside of the superannuation system may be taxed in the hands of the recipient.

#### Benefits paid on death

The tax consequences for death benefits can be complex.

Where an annuity has been bought with money rolled over within the superannuation system, a death benefit paid to a "tax dependant"<sup>^</sup>, is generally tax free. If the death benefit is paid to a non-tax dependant, the taxable component will be subject to a maximum of 15% tax plus Medicare levy. Any payment made to the estate will be taxable in the hands of the estate, but any benefits paid from an estate to a tax dependant will be tax free. Any benefits paid to a non-tax dependent will be subject to a maximum of 15% tax.

Where the annuity hasn't been bought with money rolled over within the superannuation system, the taxable component is subject to a maximum of 15% tax plus Medicare levy.

Where the annuity has been purchased with ordinary money (not rolled over within the superannuation system), the capital component of the death benefit is tax free. The income component is taxed at the beneficiaries' marginal tax rate plus the Medicare levy, or in the hands of the estate.

<sup>^</sup> A tax dependant includes your spouse (or ex-spouse; your child under 18 years of age or financially dependent on you and includes an adopted child or stepchild; someone who is financially dependent on you; or someone in an interdependency relationship with you).

## 7. Tax (cont.)

### Tax File Number (TFNs)

Quoting your Tax File Number (TFN) is optional. If you choose not to quote your TFN, there may be tax consequences.

If you are over age 60 and have purchased your annuity using money rolled over within the superannuation system, you will only need to provide your TFN if you have rolled over benefits from an untaxed source.

We're legally authorised to collect your TFN. And of course we'll keep it confidential and only use it for lawful purposes, including providing your TFN and other information to the Australian Taxation Office (ATO). These purposes may change in the future.

### Pay As You Go (PAYG) withholding tax

If you didn't buy your annuity with money rolled over within the superannuation system, the assessable amount may be subject to Pay As You Go (PAYG) withholding tax, which will be remitted to the Australian Taxation Office. If you quote your TFN, tax will be withheld from your annuity payments according to the Australian Taxation Office's PAYG scales. If you choose not to quote your TFN, we are required by law to deduct tax at the highest marginal tax rate (plus Medicare levy) from your annuity payments.

You will receive a PAYG instalment summary shortly after 30 June each year. The summary will show the total of tax instalments deducted from your annuity payments throughout the year.

To claim your deductible amount against the Pay As You Go (PAYG) tax on your annuity payments, indicate this on your TFN declaration form.

### Other important information about tax

#### Goods and Services Tax (GST)

Any expenses we incur from administering the statutory fund may be subject to GST. If we can claim a credit for the GST paid, we may pass the benefit on to you.

#### Tax and government charges

Taxes, duties and levies we incur are recovered from your account or directly from the assets of the investment options (where the expenses are investment or administration costs) before unit prices are set.

## 8. Other important information

### Our service standards for investment transactions

Our service standards apply from when we receive your complete instructions. If we receive a complete investment transaction request from you by 12pm (noon) (Sydney time) on a business day, you'll receive the unit price effective for the investment option for that day.

If we receive a completed investment transaction request after 12pm on a business day, we'll process the request using the investment option unit prices for the following business day.

The 12pm cut-off applies to all switches and withdrawal requests. Generally, we aim to process requests within four business days.

Although we try to always meet our service standards, the unit price used to process your transactions could differ from the effective unit price for that day or processing your transactions may be delayed in some circumstances including if:

- You've provided incomplete or incorrect information
- There is a delay in receipt of confirmation or payment from an external investment manager
- Carrying out the transaction may materially impact other account holders
- We receive a direction from a lawful authority to suspend or amend the transaction
- The investment manager suspends redemptions from your underlying investment
- It is close to the end of the financial year, or
- There are any other delays in redeeming assets.

Please note that 30 days notice should be provided to us if you wish to switch or withdraw more than \$250,000.

We may from time to time review our service standards. Please also refer to 'Unit pricing delays' in the 'How we invest your money' section of this IB.

### How we keep you updated

The information in this IB and any other material referred to, may change or be updated by us from time to time. We will provide you with all the information about your account or the Allocated Annuity generally that is required and allowed to be given to you, including the IB (and any other material referred to), your annual statement, transaction confirmations.

If we update the information in the IB (and any other material referred to), you can view it on our website at [suncorp.com.au/super](http://suncorp.com.au/super). If you'd like a free paper copy of the updated information just give us a call.

### Terms and conditions for accepting faxes

We'll accept faxed instructions on our relevant forms. Before using this option, there are a few things you need to know, such as:

- we're not responsible to you for any loss resulting from any fraudulently completed request
- we're not responsible to you for any loss suffered by you because we process a fax that has been corrupted during transmission
- we won't compensate you for any losses arising from the use of this facility, and
- we'll be released and indemnified by you against any liabilities as a result of acting on any faxed communication received in relation to your account.

### Relationship breakdown

Your account may be split with your spouse if you separate or divorce. This can be done either by court order or by agreement between you and your spouse. The splitting of your account as a result of relationship breakdown or divorce may have tax consequences. We won't charge you a fee to split your account.

For further information on family law matters, please speak to your legal adviser.

## 8. Other important information (cont.)

### Other Suncorp products and services

Every now and then, we and any related companies that use the Suncorp brand might let you know – including via mail, SMS, email, telephone or online – about news, special offers, products and services that you might be interested in. We will engage in marketing unless you tell us otherwise. You can contact us to update your marketing preferences at any time.

### We value your feedback

If you have any feedback, including problems or complaints, we'd like to hear from you. We make every effort to resolve things quickly.

### Anti-Money Laundering and Counter-Terrorism Financing

Anti-Money Laundering and Counter-Terrorism Financing legislation requires us to collect and verify information about your identity and monitor transactions on accounts held with us.

If we request personal information about you and you do not provide it, we may not be able to provide you with the financial product or service that you request, or provide you with the full range of services we offer.

### Privacy Statement

#### Your privacy is important

We are a member of the Suncorp Group, which we'll refer to simply as 'the Group'.

#### Why do we collect personal information?

Personal information is information or an opinion about an identified individual or an individual who is reasonably identifiable. We collect personal information so that we can:

- identify you and conduct appropriate checks;
- understand your requirements and provide you with a product or service;
- set up, administer and manage our products and services;
- assess and investigate a right exercised by you under one or more of our products;
- determine eligibility for family discounts where applicable;
- manage complaints and disputes and report to dispute resolution bodies;
- manage, train and develop our employees and representatives; and
- get a better understanding of you, your needs, your behaviours and how you interact with us, so we can engage in product and service research and development including managing the delivery of our services and products via the ways we communicate with you.

### What happens if you don't give us your personal information?

If we ask for your personal information and you don't give it to us, we may not be able to provide you with any, some, or all of the features of our products or services.

### How we handle your personal information

We collect your personal information directly from you and, in some cases, from other people or organisations. We also provide your personal information to other related companies in the Group, and they may disclose or use your personal information for the purposes described in 'Why do we collect personal information?' in relation to products and services they may provide to you. They may also use your personal information to help them provide products and services to other customers, but they'll never disclose your personal information to another customer without your consent.

Under various laws we will or may be authorised or required to collect your personal information. These laws include the: Australian Securities and Investments Commission Act 2001, Corporations Act 2001, Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1), Income Tax Assessment Act 1997, Taxation Administration Act 1953, Life Insurance Act 1995, and Family Law Act 1975 (Part VIII B), as those acts are amended and any associated regulations. From time to time other acts, may require, or authorise us to collect your personal information.

## 8. Other important information (cont.)

We will use and disclose your personal information for the purposes we collected it as well as purposes that are related, where you would reasonably expect us to. We may disclose your personal information to and/or collect your personal information from:

- other companies within the Group and other trading divisions or departments within the same company (please see our Suncorp Group Privacy Policy for a list of the companies);
- any of our Group joint ventures where authorised or required;
- customer, product, business or strategic research and development organisations;
- data warehouse, strategic learning organisations, data partners, analytic consultants;
- social media and other virtual communities and networks where people create, share or exchange information;
- a third party that we've contracted to provide financial, legal or professional services, financial products or administrative services – for example:
  - information technology providers;
  - administration or business management services, consultancy firms, auditors and business management consultants;
  - marketing agencies and other marketing service providers, claims management service providers;
  - print/mail/digital service providers, and
  - imaging and document management services;
- any intermediaries, including your agent, adviser or other representative or person acting on your behalf, other Australian Financial Services Licensee or our authorised representatives, advisers, and our agents;
- a third party claimant or witnesses in a claim;
- any external dispute resolution body;
- a trustee or custodian associated with membership of a superannuation fund, investment/ managed fund or life insurance policy;

- government, statutory or regulatory bodies and enforcement bodies;
- policy or product holders or others who are authorised or noted on the policy as having a legal interest, including where you are an insured person but not the policy or product holder;
- other insurers, reinsurers, insurance investigators and claims or insurance reference services, financiers; and
- hospitals and medical, health or wellbeing professionals.

We'll use a variety of methods to collect your personal information from, and disclose your personal information to, these persons and organisations, including written forms, telephone calls and via electronic delivery. We may collect and disclose your personal information to these persons and organisations during the information life cycle, regularly, or on an ad hoc basis, depending on the purpose of collection.

### Overseas Disclosure

Sometimes, we need to provide your personal information to – or get personal information about you from – persons located overseas, for the same purposes as in 'Why do we collect personal information?'

The countries we usually disclose your personal information to have been outlined on our website [suncorpgroup.com.au/privacy](http://suncorpgroup.com.au/privacy) or you can give us a call and we will provide a copy.

From time to time, we may need to disclose your personal information to, and collect your personal information from, other countries not on this list. Nevertheless, we will always disclose and collect your personal information in accordance with privacy laws.

### Your personal information and our marketing practices

Every now and then, we and any related companies that use the Suncorp brand might let you know – including via mail, SMS, email, telephone or online – about news, special offers, products and services that you might be interested in. We will engage in marketing unless you tell us otherwise. You can contact us to update your marketing preferences at any time.

In order to carry out our direct marketing we collect your personal information from and disclose it to others that provide us with specialised data matching, trending or analytical services, as well as general marketing services (you can see the full list of persons and organisations under 'How we handle your personal information'). We may also collect your personal information for marketing through competitions.

We, and other people who provide us with services, may combine the personal information collected from you or others, with the information we, or companies in our Group, or our service providers already hold about you. We may also use online targeted marketing, data and audience matching and market segmentation to improve advertising relevance to you.

### How to access and correct your personal information or make a complaint

You have the right to access and correct your personal information held by us and you can find information about how to do this in the Suncorp Group Privacy Policy.

The Policy also includes information about how you can complain about a breach of the Australian Privacy Principles and how we'll deal with such a complaint. You can get a copy of the Suncorp Group Privacy Policy. Please use the contact details in 'Contact Us'.

### Contact us

For more information about our privacy practices including overseas disclosure or to tell us about your marketing preferences visit our website [suncorp.com.au/privacy](http://suncorp.com.au/privacy) or give us a call on 13 11 55.

### Overview

The following information is important and we encourage you to read it, and the rest of these terms and conditions, carefully.

### Contract

This contract is an annuity policy and you are the annuitant under the policy. You can only deal with the policy, and you can only receive benefits, when this is permitted under the legislation governing annuities purchased by Eligible Termination Payments (referred to in this policy as rollovers) which have met a 'condition of release' or are 'unrestricted non preserved benefits'.

### Withdrawal benefit

Investments which you make are applied to purchase units in the investment options available under the policy. These units are held in an annuity account in your name. The withdrawal benefit of the policy is calculated by multiplying the number of units held in your annuity account by the selling price of the units, less any appropriate fees and charges.

We are happy to provide details of the current withdrawal benefit of the policy on request. You can cancel the policy and receive the full withdrawal benefit at any time, subject to any relevant legislative requirements prevailing at the time of request.

### Value of units

Units are valued as follows:

#### Investment options other than the Suncorp Guaranteed Cash Fund

The value of units is directly linked to the value of the underlying net assets of the applicable investment option. As these assets rise and fall in value, so too does the value of the units. Therefore, the cash value of units in the annuity account may be more or less than the amount of the rollover(s) originally applied to purchase units in the investment options, depending on:

- Any buy-sell spread between purchase and sale unit prices, if applicable
- Any annuity payments made and
- The selling unit price at the time.

The portion of your rollover (if any) that you have selected to be invested in a managed investment option, buys units in the investment option we set up for that investment manager. This is explained in Part 4 of the Policy Terms and Conditions. The investment manager you select may offer a guarantee, although you should understand that our liability is limited to the extent the investment manager meets its guarantee.

The value of units is also affected by investment fees and investment option expenses (please refer to Clause 4.7).

### Suncorp Guaranteed Cash Fund

We guarantee that the unit price of the Suncorp Guaranteed Cash Fund will not fall. However, the reported performance of the Suncorp Guaranteed Cash Fund may be negative when calculated net of administration fees.

#### Part 1 – Introduction

##### 1.1 The policy

The policy, which incorporates these terms and conditions, is the legal contract between you and us. It includes the Policy Schedule which was issued to you when we accepted your application. Headings have been included to assist in reading the policy, but the headings do not alter how the clauses are to be interpreted. Any words indicating the singular can also be taken to mean the plural and vice versa.

All transactions and payments will be made in Australian currency.

##### 1.2 Application

A copy of the application was returned to you with your policy. This should be read and we should be advised immediately if there are any mistakes or omissions.

##### 1.3 Legal interpretation

The policy is to be interpreted in line with the laws of New South Wales.

##### 1.4 Dispute resolution

If any dispute about the policy arises, it will always be our intention to settle it as quickly and efficiently as possible. Use of formal legal processes would be a last resort.

##### 1.5 Term of policy

The policy begins on the policy start date shown in the Policy Schedule and continues until the earlier of:

- Your death or the death of the reversionary annuitant, whichever is the later; or
- The value of your annuity account is nil.

##### 1.6 Notices

All notices under the policy must be in writing and addressed to our head office (business address). If we receive an application, payment or switch request after noon (Sydney time) on a working day or at any time on a non-working day (in Sydney), it will be regarded as being received on the next working day.



## 9. Policy terms and conditions (cont.)

### 1.7 Non-participating policy

Units purchased under the policy do not give you any rights of ownership of the assets of an investment option. The assets of each investment option are assets of the Suncorp Life & Superannuation Limited No.2 Statutory Fund. This policy does not participate in any surplus arising from this Statutory Fund.

### 1.8 Annual statement

Each year we will send you an annual statement on your annuity account setting out:

- The current value of units; and
- Since the last annual statement was issued, the value of:
  - units purchased
  - units redeemed to meet cash withdrawals and switches between investment options
  - units redeemed to meet fees and taxes and
  - units redeemed to meet annuity payments.

We will also send a copy of the latest published accounts for the Statutory Fund, each year and on request.

### 1.9 Not assignable or used as collateral

This policy cannot be assigned or used as collateral for any borrowings.

### 1.10 General

The policy should be read carefully. It is a legally binding contract between you and us and should be kept in a safe place. If it no longer meets your present needs, you should let either us or your adviser know, as we may be able to update it.

## Part 2 – Definitions

### 2.1 Annuity account

'Annuity account' is the account which records units purchased and sold under the policy.

### 2.2 Beneficiary

'Beneficiary' is the beneficiary you last notified to us in writing. You can only nominate as a beneficiary a person acceptable under legislation governing this annuity policy.

### 2.3 Indexation factor

'Indexation factor' is the percentage change in the Consumer Price Index which is the weighted average of the eight Australian capital cities combined and published by the Australian Bureau of Statistics or any body which succeeds it.

### 2.4 Policy

'Policy' is the legal contract between you and us which incorporates these terms and conditions.

### 2.5 Policy Schedule

'Policy Schedule' is part of the policy which is issued to you when we accepted your application.

### 2.6 Policy start date

'Policy start date' is the date on which the policy commenced, as set out in the Policy Schedule.

### 2.7 Reversionary annuitant

'Reversionary annuitant' is the person, if any, named in the Policy Schedule who, on the death of the annuitant, succeeds to the ownership of this policy and the entitlement to the annuity.

### 2.8 Rollovers

'Rollovers' are the Eligible Termination Payments (as defined in the Income Tax Assessment Act) which are used to purchase this policy.

### 2.9 We, us, and our

'We,' 'us' and 'our' means Suncorp Life & Superannuation Limited.

### 2.10 You and your

'You' and 'your' is the person named in the Policy Schedule as the annuitant, who is the owner of this policy.

## Part 3 – Annuity and other payments

### 3.1 Purchase of the annuity and your annuity account

This annuity is purchased with rollovers which are applied to purchase units in the investment options detailed in Clause 4.1. These units are held in an annuity account in your name. Payments from the policy in terms of Part 3 are made by redeeming units in your annuity account.

When the amount in your annuity account is nil, no further payment is made to you from the policy and the policy terminates.

### 3.2 Annuity payments

Subject to legislative requirements, we will pay you the amount specified on the Policy Schedule (unless otherwise agreed between you and us), less any tax we are required by law to deduct from the payment, on approximately the 14th day of the month (or the 14th and 28th for bi-monthly payments). Payments will be made by deposit to your nominated personal bank account.

Payments will be made at intervals selected by you and agreed to by us.

## 9. Policy terms and conditions (cont.)

Annuity payments continue to be made until the amount in your annuity account is less than your annuity payment. In this event, all units remaining in your annuity account will be redeemed and paid to you. The balance of your account (less any tax and applicable fees) will be paid at our discretion, in the event that your account balance at any time falls below the minimum annuity amount payable in the following financial year, provided such payment, together with payments already made, does not exceed the maximum annuity amount for the current financial year.

### 3.3 Variation of annuity

Your annuity payments may be varied from time to time by agreement between you and us but must always be within the limits imposed by any relevant legislation or lawful authority. We will also vary the annuity payments to comply with any limits imposed by relevant legislation.

### 3.4 Death

If, at the commencement of your policy, you have nominated a reversionary annuitant who survives you on your death, the reversionary annuitant becomes the policy owner. This will be on the same terms as previously applied to you.

Please note that, under a reversionary annuity, you are not permitted to subsequently change the reversionary annuitant (other than by commuting your existing investment and reinvesting in a new policy).

You can nominate a beneficiary to receive the value of your annuity account on your death if:

- the beneficiary survives you and
- there is no surviving reversionary annuitant.

If you have not nominated a beneficiary who survives you, or if we cannot locate the beneficiary after a reasonable time, we will pay the value of your annuity account to your estate.

You can change a nomination of a beneficiary by written notice to us, but the change takes effect only when we receive the notice. Payments on death will be made when we receive evidence of death and proof of the identity of the person entitled to receive payment under the policy.

### 3.5 Withdrawal

A withdrawal payment is any payment other than an annuity payment in terms of Clause 3.2 or a payment on death in terms of Clause 3.4.

You may, at any time, give written notice that you wish to withdraw all or part of the units held in your annuity account. Subject to any relevant legislation or requirement of a lawful authority, and return of the policy (for a full withdrawal only), we will comply with this request. If the amount that would remain in your annuity account after the processing of a partial withdrawal request is less than the remaining minimum annuity amount payable in the then current financial year, we will treat the request as a withdrawal of all units in the annuity account.

### 3.6 Provision of information

To enable us to fulfil our obligations under this policy, you agree to provide us with such details as we may reasonably require for that purpose.

## Part 4 – Investments

### 4.1 Investment options

Your rollover will be used to purchase units in the investment options that operate within the Suncorp Life & Superannuation Limited No.2 Statutory Fund. Information about the investment options is contained in the 'How we invest your money' section of this IB. We may open new investment options and may terminate investment options. If we terminate an investment option, we will give affected annuitants prior notice, where possible. If we open a new investment option as a proposed replacement for a terminated investment option, we will give the affected annuitants a description of the investment objectives, asset allocation and the name of the investment manager. All other annuitants may obtain this information from [suncorp.com.au](http://suncorp.com.au) or by calling us.

If units are held in an investment option which is terminated, the cash value of those units will be switched to another investment option that you select. If no selection is made, the units will be switched to the 'nearest equivalent' investment option as we determine in our absolute discretion (advised in the notice we send you). No switch fee will apply under these circumstances, but depending on the investment option, buy-sell spreads may be payable by you. We have complete discretion in the manner in which the internal investment options are invested.

In respect of external investment options, we may, from time to time, hold a portion of the assets of each such option in cash or short term securities. An investment option may be invested in units (or the equivalent value of units) in another option.

### 4.2 Investment units

When the investment options commenced, each was divided into units of equal value with a price of \$1.00, plus the cost of acquiring the assets (in accordance with Clause 4.7).

The price of a unit in the Suncorp Guaranteed Cash Fund is guaranteed not to fall. While the unit price will increase in line with increases in the value of the Fund (after taking into account fund expenses), we may allocate a proportion of the increase to an investment fluctuation reserve. Amounts are transferred from the investment fluctuation reserve after a valuation, if necessary, to boost the value of the Suncorp Guaranteed Cash Fund to ensure its unit price does not fall. The unit prices for investment options reflect movements in the underlying value of the assets of the option, after taking into account investment option expenses (please refer to 'Investment option expenses') and, except for the Suncorp Guaranteed Cash Fund, can rise or fall.

If an investment option is invested in a facility operated by another investment manager, and that facility offers a capital guarantee on the investment, we do not expect the unit price to fall. We do not guarantee this, however, as our liability is limited to the extent the other investment manager meets its guarantee.

## 9. Policy terms and conditions (cont.)

### 4.3 Purchase of units

The proceeds of switches as per Clause 4.5 will also be used to purchase units in accordance with your written instruction.

To determine the number of units purchased, we will divide the proceeds of the switch by the purchase price applicable on the day the switch occurs.

### 4.4 Redemption of units

If you wish to make a cash withdrawal, you will need to request this in writing. The circumstances of withdrawal must be in line with then current laws. You should indicate the investment option(s) from which units are to be sold, otherwise we will use our discretion to select the investment option(s). We will sell units:

- to make annuity payments - normally at the sell price up to five working days before the payment is made
- to make withdrawal payments (including the payment of death benefits) normally at the redemption price applicable up to five working days after we receive all necessary requirements
- to effect a switch between investment options, normally at the redemption price applicable up to four days after we receive all necessary requirements
- to pay for taxes and
- to collect fees (eg administration fee).

Variations may occur to these standard timeframes where one or more of the following circumstances apply:

- Where units are to be redeemed from an external investment option - if any part of the payment to us from the external investment option manager is delayed, we may delay that part of the transaction until up to four working days after that payment is received and the unit price will be the redemption price applicable at the date the transaction occurs
- Withdrawal conditions being imposed by an underlying investment fund manager
- Where units to be redeemed have a value exceeding \$250,000 we may delay the transaction for up to 30 days after we receive all necessary requirements, and the unit price will be the sell price applicable at the date the transaction occurs and
- Where, in the opinion of our Appointed Actuary, the transaction would be prejudicial to other policy owners - we may delay the transaction for up to six months after we receive all necessary requirements, and the unit price will be the sell price applicable at the date the transaction occurs.

If more than one of the above circumstances applies, the circumstance imposing the greatest delay will determine the date on which the transaction will be processed.

Also, where we are directed by a lawful authority to suspend or vary the transaction, we will suspend or vary the transaction in compliance with that direction.

### 4.5 Switching units

You may request to switch your investment between valid investment options at any time. To do this, we sell units in the nominated investment option (in accordance with Clause 4.4) at the redemption price and use the proceeds to purchase units in the new investment option (in accordance with Clause 4.3) at the application price. No establishment, switching or exit fees will be charged but buy-sell spreads may be applicable.

### 4.6 Investment option valuations

The income and profits arising from an investment option will accrue to that investment option. Each investment option will be valued at least once a month, in a way that we consider fair and reasonable having regard to the following:

- Any accruals, pre-payments of expenses, expenses and any other liabilities which we consider appropriate and
- In the case of any investment option invested with another investment manager, in accordance with the valuation basis of the external investment manager.

### 4.7 Investment option expenses

The following investment costs will be deducted from investment options:

- Costs incurred in acquiring, realising and valuing investments in each option, as applicable
- Applicable federal and state taxes, duties and charges
- Investment fees paid to the investment option fund managers and
- Any costs incurred in obtaining investment advice.

Costs directly associated with the preparation and issue of the IB, policies and associated documents for this product may also be deducted, together with our costs incurred in administering any taxes or legislative imposts.

### 4.8 Tax

Whilst investment income from these investment options operating within the Suncorp Life & Superannuation Limited No.2 Statutory Fund is currently tax exempt, should this alter then we may:

- pay tax from the investment option and/or
- create tax provisions within the investment option against unrealised capital gains.

## 9. Policy terms and conditions (cont.)

### Part 5 – Fees, taxes and duties

#### 5.1 Administration fee

A fee is deducted at the end of each month by selling units. The fee, which is a percentage of the average value of your policy for that month, is set out in the IB. We may increase this fee after giving you three months prior written notice, but only to a maximum of 2.5% pa of your account balance.

#### 5.2 Investment fees

These fees are to cover the costs of investment management and are taken into account when the unit prices are calculated. Investment fees are wholly dependant on the individual investment manager for an investment option. Current investment fee amounts are detailed in the IB and updated from time to time on our website.

#### 5.3 Taxation and Government duties

Units may also be redeemed to meet imposts charged against the policy. Where necessary, we will also deduct tax from a payment made under the policy.



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## How to contact us

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