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For further information
about the methodology
used by Chant West see
www.chantwest.com.au

Product Disclosure Statement

Accumulation Section

This is a Product Disclosure Statement (PDS) for Accumulation members

The Victorian Independent Schools Superannuation Fund

ABN 37 024 873 660 RSE Registration Number R1000436 MySuper Authorisation 37024873660599

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This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to important information, each of which forms part of this statement. You should consider this information before making a decision about investing in The Victorian Independent Schools Superannuation Fund (VISSF). The information provided in this statement is general information only and does not take into account your personal financial situation or needs. You should consider obtaining financial advice that is tailored to suit your personal circumstances.

You can obtain a copy of this PDS and any of the reference documents, including the Member Guide and Insurance Guide, free of charge from our website www.vissf.com.au/pds-documents, or by telephoning us on 1300 660 027. When requesting by telephone, the Trustee is required to provide the information to you within 8 business days.

Chant West Pty Ltd (ABN 75 077 595 316) (Chant West) has given its consent to the inclusion in this PDS of the references to Chant West and the inclusion of the logos and ratings provided by Chant West in the form and context in which they are included.

1. ABOUT VISSF

VISSF has been a leading provider of superannuation benefits for teachers and other employees in non-government schools for almost 60 years. As an education industry superannuation fund, our focus is on helping our members achieve a financially secure retirement. We aim to deliver this through stable management and strong leadership. VISSF is a not-for-profit superannuation fund and operates exclusively for the benefit of members.

Members have security in the knowledge that they are participating in a superannuation fund that is focused on the education industry. As at 30 September 2018, VISSF had more than \$802 million in assets and over 8,500 members. Information about the Trustee, executive remuneration and any other documents that must be disclosed in accordance with legislation, are located at www.vissf.com.au/publicly-available-information.

VISSF offers four investment options, including the VISSF Balanced Option, which is an authorised MySuper product. The other investment options are All Growth, Conservative and Cash. Details of the Balanced Option are included in the **How we invest your money** section of this PDS, while details of all the options are in the VISSF Member Guide. The product dashboard for the MySuper product is located at www.vissf.com.au/balanced-option-dashboard. Additional product dashboards relevant to the other investment options will be added as required by legislation.

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 be made to your super account, such as employer contributions, voluntary contributions and government co-contributions. There are limitations on contributions to and withdrawals from super, however, the Government also provides various tax savings and concessions. Most people have the right to choose which super fund their employer should direct their Superannuation Guarantee (SG) contributions to.

How to contact us

Telephone: 1300 660 027
GPO Box 4974
Melbourne VIC 3001
Email: super@vissf.com.au or
Website: www.vissf.com.au

You should read the important information about how super works before making a decision. Go to the Member Guide available at www.vissf.com.au/pds-documents. The material relating to how super works may change between the time you read this statement and the day when you acquire the product.

3. BENEFITS OF INVESTING WITH VISSF

Some of the significant features and benefits that VISSF provides include:

- access to your super account 24/7 via Member Online and the VISSF App;
- easy super management so you can quickly find and combine other super into your VISSF account;
- super accounts for your spouse or partner;
- the choice of one or more of our four investment options, with the ability to switch at any time;
- competitive fees and a track record of consistent long-term performance;
- automatic and additional voluntary insurance for death and disablement benefits;
- an account based pension for retirees or those transitioning to retirement;
- the convenience of starting your pension online;
- binding death benefit nominations;
- financial advice services to help you answer simple super and retirement questions or prepare tailored financial plans; and
- regular educational seminars, short videos and webinars to help boost your super balance and prepare for life after work.

You should read the important information about the benefits of investing with VISSF before making a decision. Go to the Member Guide and Insurance Guide available at www.vissf.com.au/pds-documents. The material relating to the benefits of investing with VISSF may change between the time you read this statement and the day when you acquire the product.

4. RISKS OF SUPER

All investments carry risk and different strategies may 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 specific investment risks associated with VISSF include the likelihood of negative returns from an investment, underperformance by a fund manager, poor performance by investments in particular markets or countries or volatility due to currency, credit, inflation and liquidity risks.

You should also be aware of the following significant risks when investing in superannuation:

- 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 persons may lose some of their money;
- superannuation laws may change in the future;
- the amount of a person's future superannuation savings (including contributions and returns) may not be enough to provide adequately for the person's retirement; and
- the level of risk for each person will vary depending on a range of factors including the person's age, investment time frames, where other parts of their wealth are invested and their risk tolerance.

You should read the important information about the risks of super before making a decision. Go to the Member Guide available at www.vissf.com.au/pds-documents. The material relating to the risks of super may change between the time you read this statement and the day when you acquire the product.

5. HOW WE INVEST YOUR MONEY

VISSF offers four investment options, including the Balanced Option, an authorised MySuper product, which is summarised in the table below. The other investment options are All Growth, Conservative and Cash. You can choose one option or a combination of different options. If you don't make a choice, or your choice is unclear, your super will be invested in the Balanced Option.



When choosing a MySuper product or an investment option in which to invest, you must consider the likely investment return, the risk and your investment time frame.

Details of the Balanced Option (Authorised MySuper product)

<p>Description of option and type of investors for whom it is intended to be suitable</p>	<p>In the Balanced Option, approximately 75% of your super is invested in growth assets such as shares and property and approximately 25% is invested in defensive assets such as bonds and cash.</p> <p>Generally an investor in this type of option is likely to be looking for high investment returns over the medium to long term. They have still got the time to ride out investment fluctuations.</p>																																
<p>Asset class mix</p>	<table border="1"> <thead> <tr> <th></th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Equity - Australia</td> <td>31</td> <td>28 – 34</td> </tr> <tr> <td>Equity - International</td> <td>36</td> <td>33 – 39</td> </tr> <tr> <td>Property - International</td> <td>5</td> <td>2 – 8</td> </tr> <tr> <td>Infrastructure - International</td> <td>3</td> <td>1 – 5</td> </tr> <tr> <td>Total Growth Assets</td> <td>75</td> <td>72 – 78</td> </tr> <tr> <td>Fixed Income - Australia</td> <td>9</td> <td>6 – 12</td> </tr> <tr> <td>Fixed Income - International</td> <td>7</td> <td>4 – 10</td> </tr> <tr> <td>Cash - Australia</td> <td>9</td> <td>6 – 12</td> </tr> <tr> <td>Total Defensive Assets</td> <td>25</td> <td>22 – 28</td> </tr> </tbody> </table>				Benchmark (%)	Range (%)	Equity - Australia	31	28 – 34	Equity - International	36	33 – 39	Property - International	5	2 – 8	Infrastructure - International	3	1 – 5	Total Growth Assets	75	72 – 78	Fixed Income - Australia	9	6 – 12	Fixed Income - International	7	4 – 10	Cash - Australia	9	6 – 12	Total Defensive Assets	25	22 – 28
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<p>Investment return objective</p>	<p>The Balanced Option aims to:</p> <ul style="list-style-type: none"> • achieve over rolling five and ten year periods, a rate of return, after expected tax and fees, in excess of CPI + 3.0%; • achieve on a rolling five and ten year basis, a rate of return in excess of the median of our relevant peers, as measured by a relevant growth fund investment survey; and • maximise the after-tax rate of return above inflation, as measured by CPI, over rolling five and ten year periods, subject to the following constraints: <ul style="list-style-type: none"> • recognising a greater risk of experiencing a negative return in any one year than the Conservative Option; and • maintaining sufficient liquidity to enable VISSF to meet its commitments. 																																
<p>Minimum suggested time frame for holding the investment</p>	<p>5 years</p>																																
<p>Standard Risk Measure: Risk Band and Risk Label</p>	<p>Risk Band: 6 Risk Label: High</p>																																
<p>Estimated number of negative annual returns over any 20 year period</p>	<p>4 to less than 5</p>																																

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. This is not a complete assessment of all forms of investment risk and it does not take into account the impact of fees and tax on the likelihood of a negative return. Members should ensure they are comfortable with the risks and potential issues associated with their chosen investment strategy.

Other things to note include:

- there is no guarantee that the Balanced or any other investment option will meet its objective or that the value of your account will not decrease as a result of negative returns;
- the Trustee may adjust the asset class mixes for each investment option from time to time as investment conditions change and will publish the most current information at www.vissf.com.au/my-investment-options; and
- the Trustee does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments.

At the time you join VISSF you can choose how future contributions and other cash flows such as rollovers from other funds (but not including investment earnings) are invested.

You can change or switch your investment options at any time by using Member Online at www.vissf.com.au or by telephoning us on **1300 660 027**.

You should read the important information about how we invest your money before making a decision. Go to the Member Guide available at www.vissf.com.au/pds-documents. The material relating to how we invest your money may change between the time 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 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 fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneySMART.gov.au) has a superannuation calculator to help you check out different fee options.

The above consumer advisory warning is required by law, however, the Trustee does not negotiate lower fees with employers, members or other persons.

This PDS shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of VISSF as a whole. Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you.

Refer to the **How super is taxed** and **Insurance in your super** sections of this PDS for taxes, insurance fees and other costs relating to insurance. You should read all the information about fees and other costs because it is important to understand their impact on your investment. This information can be used to compare costs between different superannuation products. Full fee definitions are set out in the Member Guide available at www.vissf.com.au/pds-documents.

VISSF Balanced Option (Authorised MySuper product)		
Type of Fee	Amount	How and When Paid
Investment fee	0.60% per annum	Deducted from the investment earnings before they are allocated to your account.
Administration fee	\$52 per annum per member	Deducted from your account at the end of each month.
Buy/sell spread	Nil	See Additional explanation of fees and costs .
Switching fee	\$0 for the first two switches in any VISSF financial year (1 February to 31 January), then \$30 per switch thereafter.	Deducted from your account balance when each investment switch is made.
Exit fee	\$65	Deducted from your account balance when each withdrawal is paid.
Advice fees relating to all members investing in a particular MySuper product or investment option	Up to \$4,000 per annum (excluding any Goods and Services Tax)	At the request and with the consent of a member, the Trustee allows for a payment for personal super advice to be deducted from that member's account balance to a licenced financial adviser that has been approved by the Trustee.
Other fees and costs	Refer to the section Additional explanation of fees and costs	Either deducted from your account balance or from the investment earnings before they are allocated to your account.
Indirect cost ratio	0.35% per annum	Deducted from the investment earnings before they are allocated to your account. This amount is an estimate based on the available information for the most recent financial year ended and varies for each investment option.

Example of annual fees and costs for the VISSF Balanced Option

This table gives an example of how the fees and costs for the VISSF Balanced Option can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

Example – VISSF Balanced Option		Balance of \$50,000
Investment fee	0.60% per annum	For every \$50,000 you have in the VISSF Balanced Option you will be charged \$300 each year.
PLUS Administration fees	\$52	And , you will be charged \$52 in administration fees regardless of your balance.
PLUS Indirect costs for the VISSF Balanced Option	0.35% per annum	And , indirect costs of \$175 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 \$527 for the VISSF Balanced Option.

Additional fees may apply. **And** if you leave VISSF early, you may also be charged **Exit fees** of \$65 when each withdrawal is paid.

Additional explanation of fees and costs

Performance fees may be charged by underlying managers of each investment option based on whether they achieve or exceed specific benchmarks, which may also consider any past underperformance. The actual performance fees for the year ended 30 June 2018 for the VISSF Balanced Option were 0.03% and are included in the Investment fee disclosed.

Buy/sell spreads are not charged to members as VISSF is not a unitised product. However, the Trustee may incur buy/sell spreads from underlying managers of each investment option, which will then be included when calculating the net investment return on that investment option. An estimate of these are included as part of the Indirect Cost Ratio.

Increases in fees and costs

The Trustee has the right to change the amount of fees without a member's consent, however, they are required to provide members with at least 30 days notice of any new or increased fee.



Additional fees may be paid to a financial adviser if a financial adviser is consulted. Refer to the Statement of Advice issued by the financial adviser, in which details of the fees are set out.

You should read the important information about VISSF's fees and costs before making a decision. Go to the Member Guide and Insurance Guide available at www.vissf.com.au/pds-documents. The material relating to the benefits of investing with VISSF may change between the time you read this statement and the day when you acquire the product.

7. HOW SUPER IS TAXED

Tax on contributions

Tax is deducted from your account at the end of each month and/or upon account closure at the rate of 15% on concessional contributions received by VISSF. Concessional contributions include contributions your employer makes on your behalf, salary sacrifice contributions and personal contributions on which you have claimed a tax deduction.

Generally, no tax is payable on non-concessional contributions received by VISSF. These are contributions from income on which you have already paid tax, including from your after-tax salary, other savings where tax has already been paid, or spouse contributions.

You will receive the tax benefit of any allowable deductions that the Trustee is able to claim on VISSF's income tax return, such as administration fees. The fees disclosed in the fee template include any Goods and Services Tax after allowance of any reduced input tax credit that the Trustee is entitled to, unless stated otherwise.



The Government has set limits on the amount you contribute from either before-tax or after-tax salary known as contribution caps. You should be aware that there are taxation consequences for exceeding the caps. You should provide your Tax File Number (TFN) as part of acquiring this product. Choosing not to provide your TFN is not an offence, however there may be tax consequences if you fail to do so, including paying tax at the top marginal rate on concessional contributions and the Trustee not being able to accept non-concessional contributions.

Tax on investment earnings

Investment earnings are generally taxed at a maximum concessional rate of 15% in the Accumulation section and are deducted before the earnings are allocated to your account.

Tax on withdrawals

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

You should read the important information about how super is taxed before making a decision. Go to the Member Guide available at www.vissf.com.au/pds-documents. The material relating to how super is taxed may change between the time you read this statement and the day when you acquire the product.

8. INSURANCE IN YOUR SUPER

VISSF offers insurance cover for Death, Total and Permanent Disablement (TPD) and Income Protection. This cover is provided through insurance policies held by the Trustee with TAL Life Limited ABN 70 050 109 450 AFSL 237848 (the Insurer).

Insurance fees are deducted at the end of each month from your super account in VISSF and it is the responsibility of each member to ensure they have enough funds in their account to allow the insurance fees to be deducted each month. The Trustee does not allow any account to go into a negative or overdraft situation to pay outstanding insurance fees. In these circumstances, your cover may lapse and you risk losing the benefits of that insurance cover.

Default cover

When you join VISSF, you will be automatically provided with Default Cover for Death, TPD and Income Protection, subject to meeting all eligibility conditions.

Changes to cover

Members can apply to have their cover cancelled, reduced, fixed or increased at any time by notifying the Trustee in writing. Cancellation of cover can occur immediately upon receipt and acknowledgement of written notification by the Trustee, however, other changes are subject to acceptance by the Insurer.

Default Death & TPD – Sum Insured & Cost

Age last Birthday	Value of 1 unit of cover	Default Units	Default Cover	Weekly Cost of Default Cover	Default Units	Default Cover	Weekly Cost of Default Cover
	Death and/or TPD	Death	Death	Death	TPD	TPD	TPD
15 - 24	\$62,700	2	\$125,400	\$0.564	4	\$250,800	\$1.296
25 - 29	\$62,700	4	\$250,800	\$1.128	4	\$250,800	\$1.296
30 - 40	\$62,700	6	\$376,200	\$1.692	4	\$250,800	\$1.296
41	\$53,850	6	\$323,100	\$1.692	4	\$215,400	\$1.296
42	\$45,050	6	\$270,300	\$1.692	4	\$180,200	\$1.296
43	\$36,200	6	\$217,200	\$1.692	5	\$181,000	\$1.620
44 - 69	\$27,400	6	\$164,400	\$1.692	6	\$164,400	\$1.944
	at age 44 and reducing each year to \$3,950 at age 69		at age 44 and reducing each year to \$23,700 at age 69			at age 44 and reducing each year to \$23,700 at age 69	

For the complete Default Death & TPD Cover table, go to the Insurance Guide available at www.vissf.com.au/pds-documents.

Default Income Protection – Sum Insured & Cost

Age last birthday	Weekly cost of 1 unit of Default Cover	Default units	Default Cover per month	Weekly cost of Default Cover
15 - 19	\$0	0	\$0	\$0.000
20 - 24	\$0.132	4	\$2,000	\$0.528
25 - 29	\$0.141	6	\$3,000	\$0.846
30 - 34	\$0.174	8	\$4,000	\$1.392
35 - 39	\$0.240	8	\$4,000	\$1.920
40 - 44	\$0.388	8	\$4,000	\$3.104
45 - 49	\$0.653	7	\$3,500	\$4.571
50 - 54	\$1.091	5	\$2,500	\$5.455
55 - 59	\$1.752	4	\$2,000	\$7.008
60 - 64	\$1.711	3	\$1,500	\$5.133

One unit of Default Income Protection cover is equal to a Monthly Benefit of \$500. The above costs for Income Protection include 10% Government Stamp Duty.



Unless a person declines to acquire the default insurance cover or cancels it, the cost of the cover will be deducted from the person's account or from the person's contributions (as applicable).

You should read the information about insurance including Default Cover, optional insurance cover and costs, eligibility conditions, exclusions and other significant matters, before deciding whether the insurance is appropriate. Go to the Insurance Guide available at www.vissf.com.au/pds-documents. The material relating to insurance may change between the time you read this statement and the day when you acquire the product.

9. HOW TO OPEN AN ACCOUNT

A person is eligible to join VISSF on the day they commence employment with a VISSF participating employer. Where a person does not complete an Application for Membership form when commencing employment, their employer may, subject to Choice of Fund, join the person as a member of VISSF by making contributions on their behalf.

To join VISSF you should follow these steps:

- read this PDS and the important information referred to throughout; and
- complete the Application for Membership form included with this PDS or available at www.vissf.com.au/pds-documents and return it to your employer.

A cooling-off period applies. That is, you have 14 days from the date of investing in VISSF to cancel your membership without incurring any fees or charges. Any such request must be made in writing to the Trustee.

If you have an enquiry, please contact our Client Services Team. If your enquiry is not resolved, then you may register a formal complaint in writing by email or post, which will be directed to the Fund Secretary. VISSF contact details are shown on page 2 of this PDS.

If an issue has not been resolved to your satisfaction, or we have not resolved your complaint within 90 days, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

Australian Financial Complaints Authority

GPO Box 3 Melbourne VIC 3001

Telephone: 1800 931 678 Email: info@afca.org.au

Web: www.afca.org.au