LEGAL CONSOLIDATED
BARRISTERS & SOLICITORS
National Law Firm
Head Office
18 Stirling Highway
Nedlands WA 6009
T: 1800 141 612
legalconsolidated.com.au

Your Reference Reversionary Pension Kit - Neal
Our Reference: 9600111101600

01 November 20 *Prepared with your Fund's name and details.*
View the Pension Kit: legalconsolidated.com.au/reversionary-pension/

Trustee
Idomatic Super Fund
1 Ironbark Crescent
Lidcombe NSW 2141
Australia

Dear Trustee,

Product Disclosure Statement for the Idomatic Super Fund

Thank you for instructing us to prepare the attached SMSF Product Disclosure Statement.

How to print your document
When you are satisfied that the document is according to your instructions please:

1. Download the PDF (Don't print directly from the browser.)
2. Print the PDF Printer settings: A4 paper
   100% scale (turn off 'fit to page')
3. Print single sided (NOT duplex).

We confirm that we have been instructed to prepare and now enclose:

(a) Minutes to adopt the Product Disclosure Statement by the Trustee
(b) The Product Disclosure Statement

The Trustee must review and adopt the Product Disclosure Statement before issuing it. Once adopted, it replaces the Fund's previous Product Disclosure Statement, if any. Check that it accurately describes the Fund and its arrangements.

We confirm that we have not been instructed to review the trust deed that first established the Idomatic Super Fund or any variations or other documentation.

We confirm that the Product Disclosure Statement is designed for both accumulation and pension phases of the members of the fund.

Before issuing the Product Disclosure Statement, check the Fund's actual fees, costs, insurance arrangements and member benefits. Provide any further information required for the Fund's circumstances. This pro-forma document does not assess whether membership or an investment suits a member. Obtain financial advice from an

Liability limited by a scheme approved under Professional Standards Legislation

appropriately licensed financial adviser and accounting and tax advice from your accountant.

Your responsibilities as Trustee

An SMSF gives you control of retirement savings. It also gives you responsibility for protecting those savings. Section 52B of the *Superannuation Industry (Supervision) Act 1993* (Cth) (SIS Act) requires honesty, care, skill and diligence and action in beneficiaries' best financial interests. Appointing an accountant, administrator or financial adviser does not transfer your responsibilities to them. Directors of a company trustee also have duties under section 52C.

Keep super for retirement and permitted death benefits

Section 62 of the SIS Act requires the Fund to serve the permitted retirement and related benefit purposes. The Fund's money is not a personal or business bank account. A member's agreement does not authorise early access. Regulation 6.17 of the *Superannuation Industry (Supervision) Regulations 1994* (Cth) (SIS Regulations) requires payments to comply with the applicable payment standards. Check a condition of release and its restrictions before paying a benefit.

Keep ownership and transactions clear

Keep the Fund's money and assets separate from personal and business assets: section 52B(2)(d) of the SIS Act and regulation 4.09A of the SIS Regulations. Keep evidence of ownership and the capacity in which the Trustee holds each asset. Related-party transactions require particular care. Sections 65, 66 and 109 and Part 8 of the SIS Act restrict financial assistance, acquisitions, non-arm's length dealings and in-house assets. Paying market value does not alone mak

Record and review the investment str

Regulation 4.09 of the SIS Regulations r
and regularly review an investment strat
liquidity, liabilities and whether to hold in
this Fund's circumstances. Keep reason
auditor checks compliance; the audit doe
returns.

Your auditor needs evidence, not just a signed document. Keep your investment strategy, reasons for decisions and review records together. The strategy must address risk, return, diversification, liquidity, liabilities and member insurance.

Superannuation Industry (Supervision) Regulations 1994 (Cth) reg 4.09.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

Keep evidence for the annual audit

Prepare accounts using market values s
the SIS Regulations. Section 35C of the
Give the auditor the deeds, accounts, va
the audit. Keep accounting records for at least five years and trustee minutes and decisions for at least ten years under sections 35AE and 103. Longer retention may be needed for particular records.

Check what happens when a member dies

Your Will does not by itself direct the Trustee to pay super to your estate. Check the Deed, pension terms and death benefit d
HCA 21, the High Court held that regulat
judgment highlights why the Fund's gove
nomination valid. Regulation 6.21 separa
eligibility for a death benefit pension.

Who receives your super when you die? Read your Deed and death benefit directions together. The High Court confirmed that reg 6.17A does not apply to SMSFs. That does not make every nomination valid.

Hill v Zuda Pty Ltd [2022] HCA 21.

PDS included in your Pension Kit:
legalconsolidated.com.au/reversionary-pension/

Explain the PDS to members and keep

Give members clear information about th
arrangements. The PDS does not replac
when those arrangements change and p
it. Members should understand their own
before accepting that role.

Our role

We prepare the PDS from your instructions with due care and skill. We have not audited the Fund or independently investigated its history, investments or compliance. We do not recommend investments or provide personal financial or accounting advice through this document. Use an appropriately licensed financial adviser for investment and pension advice and your accountant for accounts and tax. Nothing in this letter excludes duties or liability that the law does not permit us to exclude.

This now concludes the matter. Thank you for your instructions.

Yours sincerely,

Legal Consolidated

Legal Consolidated Barristers & Solicitors

Minutes to Adopt the Product Disclosure Statement (for both accumulation and pension phase)

Held at ……

Present:

Neal Nominees Pty Ltd ACN 938 383 838
23 Neales Street, Kaleen ACT 2617, Australia

(**Trustee**)

Brian Neal Terriaca
1 Neal Street, Brighton QLD 4017, Australia

Janine Cosgrave Buss
1 Brighton Street, Petersham NSW 2049, Australia

(Membership)

Quorum: It was noted that a quorum was present at the meeting.

The Trustee confirms that the meeting was called and held in accordance with the Fund's Deed and applicable law. Any waiver of notice operates only to the extent permitted by the Deed and applicable law.

The Product Disclosure Statement for the self-managed superannuation fund known as the Idomatic Super Fund was tabled.

It was resolved that:

1. The Trustee confirms capacity at law to act as Trustee of the Idomatic Super Fund.
2. No Trustee, or director of a corporate Trustee, is a disqualified person under the *Superannuation Industry (Super*
3. The Trustee adopts the Product
4. The Trustee resolves to provide prospective and existing membe issue.
5. The following members of the Id Disclosure Statement:

   Brian Neal Terriaca
   1 Neal Street, Brighton QLD 40

   Janine Cosgrave Buss
   1 Brighton Street, Petersham NS

   (Membership)

These minutes record adoption of your PDS. Complete the meeting details, sign the record and keep it with the Fund's records. Trustee meeting minutes and decisions must be retained for at least ten years.

Superannuation Industry (Supervision) Act 1993 (Cth) s 103.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

There being no further business the meeting was declared closed.

Signed as a true and correct record of the meeting immediately after the meeting.

Neal Nominees Pty Ltd (Trustee) ……..….. Date: …… 20

Brian Neal Terriaca (Member) ……..….. Date: …… 20

Janine Cosgrave Buss (Member) ……..….. Date: …… 20

Self-Managed Superannuation Fund Product Disclosure Statement for the

Idomatic Super Fund

For any new members, email the latest PDS and attach it to each 'Application for Membership'

Product Disclosure Statement (PDS) for the Idomatic Super Fund (Fund)

The Trustee must provide this PDS when required by the *Corporations Act 2001* (Cth). Ordinarily, a prospective member receives it before applying to join the Fund. Different timing rules apply in specified circumstances.

Things you should know

This PDS summarises the key information you need to know regarding the Fund. It includes references to additional information including the Fund's deed (**Deed**), which you may request from the Trustee at any time, free of charge. Information in this PDS is subject to change from time to time and may be updated. You can obtain a paper copy of the PDS and any updated information at any time, free of charge, from the trustee or trustees from time to time of the Idomatic Super Fund (**Trustee**). The information in this PDS is general information only and does not take into account your personal financial situation or needs. Obtain personal financial advice from an appropriately licensed financial adviser. Consult your accountant about accounts and tax. This PDS can only be used by persons receiving it (electronically or otherwise) in Australia. It is subject to investment risk, including possible delays in repayment or loss of income and principal invested. The Trustee does not guarantee the capital value or investment performance of the Fund. The Trustee remains subject to its fiduciary duties and any personal liability imposed by trust law and the SIS Act.

About superannuation It is a means of saving for retirement, which is in part a compulsory requirement if you are an employee in Australia. It could become one of the biggest investments you make in your life. Nearly every Australian has the right to choose the super entity into which their employer should pay their super contributions. The Australian Government has provided tax savings and other benefits which generally makes super a tax effective long-term investment vehicle.

What are Self-Managed Superannuation Funds?

A Self-Managed Superannuation Fund (SMSF) has no more than six members. Subject to the statutory exceptions, each member is a trustee or a director of the company that acts as trustee, and each trustee or director is a member. Special rules apply to single-member funds. Members control the Fund and accept responsibility for its management.

Trustee decisions

The Trustee manages the Fund's investments and benefits under the Deed and superannuation law. The Trustee must formulate, implement and regularly review an investment strategy. Accountants, lawyers and appropriately licensed financial advisers assist with their respective areas of expertise. An approved SMSF auditor independently audits the Fund each year. Appointing professionals does not remove the Trustee's responsibilities.

Why have an SMSF? What are the benefits?

There are a number of benefits to having an SMSF. Some of these include:

Greater Investment Choice: An SMSF may invest in assets such as property, shares and overseas investments, subject to its Deed and superannuation law. The Fund must not lend money or provide financial assistance to members or their relatives. Acquiring assets from related parties, investing in related entities and providing benefits before retirement are subject to strict restrictions and exceptions.

Wills and Estate Planning: Super does not automatically form part of your estate. The Deed, valid death benefit directions and superannuation law determine who receives it. A valid binding direction or reversionary pension arrangement

What are you joining? Your PDS explains the Fund's benefits, risks and costs. Check the actual fees and arrangements before issuing it to members. The PDS describes your Fund; it does not replace its Deed.

Corporations Act 2001 (Cth) s 1013D.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

Fees and costs

The Fund pays costs to operate and manage its investments. These may include the ATO supervisory levy, annual independent audit fees, accounting and tax return fees, administration fees, investment management fees, brokerage, insurance premiums and legal costs. A company trustee also incurs ASIC annual review fees. Establishing, changing or winding up the Fund may involve further costs.
Costs vary with the Fund's investments, service providers and arrangements. Some costs continue even when returns fall. Before joining, obtain the Fund's current fees and costs, how they are calculated and how they are allocated between members. The Trustee must supply the further fund-specific disclosure required by law; this list alone does not state the Fund's actual charges.
Contributions: The Fund may accept employer and personal contributions where the acceptance

rules permit. Most voluntary contributions made before age 75 do not require a work test. A work test or exemption may still apply to a deduction for personal contributions made at ages 67 to 74. Special rules apply around age 75 and to employer and downsizer contributions. Contribution caps, total super balance and other eligibility rules affect what you may contribute and deduct. Excess contributions may have tax consequences.

Receiving contributions and rollovers

For transactions covered by SuperStream, the Fund needs an active Electronic Service Address (ESA), its Australian Business Number (ABN) and bank account details. An ESA receives electronic superannuation messages; it is not an email address. Give the required details to the employer or transferring fund. Check that the ESA provider supports the relevant contribution or rollover service.
SuperStream generally applies to employer contributions and rollovers into and out of an SMSF. Contributions from a related-party employer and personal contributions are exempt from SuperStream. Keep the Fund's details current with the ATO and the relevant providers.

Your Total Superannuation Balance

Your Total Superannuation Balance measures your super interests across all your funds, with adjustments required by tax law. Your balance at the previous 30 June affects eligibility for non-concessional contributions, the bring-forward rules and use of unused concessional contributio caps from earlier years. Each measure has its own thresholds and conditions. Check the curren rules and your total balance before contributing.
Withdrawals: Super is generally preserved until you meet a condition of release. These include reaching age 65, retiring after preservation age o ending an employment arrangement after age 60 Reaching preservation age alone does not generally allow unrestricted withdrawals. Transition-to-retirement pensions and early release have separate conditions and payment limits.

Risks of super All investments involve varying degrees of risk. Super funds may invest in a range of asset classes - including cash, fixed interest, property and shares – that have different levels of risk. Because you have your own self-managed super fund you have a variety of investment options, containing different weightings of asset classes. The likely investment return, and the level of risk of losing money is different for each investment option depending on your underlying mix of assets. Generally, the higher the potential return of an investment over the longer term, the greater the level of risk of loss in the shorter term.

What are the risks involved? When considering your investment in super, it is important to understand the following:

- investments fluctuate in value over time
- returns are not guaranteed and you may lose all of your super money
- investment returns can be volatile,
- future returns may vary from past returns
- super laws change
- super held in a regulated fund is generally protected in bankruptcy, but contributions made to defeat creditors may be recovered and different rules may apply after money is withdrawn
- trustees and company directors may incur personal liability in some circumstances; membership alone does not make you liable for every Fund debt
- the amount of your future super savings (including contributions and returns) may not be enough to provide adequately for your retirement.

Risks associated with a particular investment option may include (among other things) risks specific to a certain security, market risk, currency risk, interest rate risk, derivatives and gearing risk, alternative investments risk, credit risk, liquidity risk, and legal and regulatory risk. The appropriate level of risk for you depends on a range of factors including your age, investment timeframe, where other parts of your wealth are invested and your own tolerance to risk.

Fraud and theft

SMSF members do not have access to government financial assistance under Part 23 of the *Superannuation Industry (Supervision) Act 1993* (Cth) for losses caused by fraud or theft. Assistance available to eligible APRA-regulated

Look beyond investment returns. Your SMSF also pays for administration, accounts and its annual independent audit. Some costs continue when returns fall. Ask how costs are shared between members before joining.

ASIC guidance: Tips for giving self-managed superannuation fund advice.

PDS included in your Pension Kit:
legalconsolidated.com.au/reversionary-pension/

generally made from after-tax money. Different rules apply to excess contributions, non-arm's length income and non-complying funds.

Contribution acceptance rules and caps limit what you may contribute without adverse consequences. Investment earnings and capital gains have their own tax rules, including concessions where their requirements are met. Benefits paid from a taxed source are generally tax-free from age 60. Before age 60, tax depends on the payment type and its tax-free and taxable components. Untaxed elements and death benefits have different rules.

Insurance: The Trustee must consider whether the Fund should hold insurance for its members.

Membership does not itself provide cover. Check any policy's insured benefits, premiums, exclusions and eligibility requirements. Insurance held through super must satisfy the applicable superannuation rules.

On your retirement

Once you meet a condition of release, benefits may be paid from the Idomatic Super Fund. The form and amount of payment depend on the Deed, your benefit balance and the applicable cashing restrictions. Disability benefits have separate conditions.

Your Transfer Balance Cap

Your personal Transfer Balance Cap limits the amount transferred into retirement-phase pensions across all your super funds. It does not cap your total super balance. Investment growth in an existing retirement-phase pension does not itself create a transfer balance credit. Your personal cap and available cap space depend on the applicable rules and your transfer balance history.
An excess may require you to commute part of a pension and pay excess transfer balance tax on calculated excess transfer balance earnings. Ordinary pension payments do not create a transfer balance debit; a qualifying commutation generally does. Reversionary pensions have special credit timing and valuation rules. Obtain advice before starting, reverting or commuting a pension and meet the applicable reporting deadlines.

On death

On your death, the Trustee must pay your death benefits as soon as practicable to an eligible dependant or your legal personal representative. A valid binding direction or reversionary pension arrangement may determine the recipient and form of payment, subject to the Deed and superannuation law. Not every dependant is eligible to receive a death benefit pension.

These death benefits are taxed as follows:

A lump sum paid to a death benefits dependant for tax purposes is tax-free. This includes a spouse and certain other dependants under section 302-195 of the *Income Tax Assessment Act 1997* (Cth). For other recipients, the tax-free component remains tax-free, but tax may apply to the taxable component. Tax dependency and eligibility to receive super are different tests.

For a death benefit pension, the taxed element is generally tax-free if the deceased was at least 60 when they died or the recipient is at least 60. Where both are under 60, tax and a tax offset may apply. Untaxed elements have different treatment. A reversionary pension also requires attention to transfer balance cap rules and the recipient's eligibility.

Early release: Severe financial hardship and compassionate grounds are separate grounds for release. Financial hardship involves strict eligibility requirements, including income support tests, and is assessed by the Trustee. The ATO assesses applications on compassionate grounds, which may include specified medical expenses or preventing foreclosure on a home. The applicable approval and payment conditions must be met before release.

Keeping death benefits in super

An eligible dependant may receive a death benefit pension and keep the pension assets within the superannuation system, subject to the applicable limits and pension rules. Death benefits cannot simply remain in an accumulation account. Discuss the available options and tax consequences with an appropriately licensed financial adviser and your accountant.

Your preservation age

Your preservation age is 60. Reaching preservation age does not by itself allow unrestricted access to your super; you must also meet a condition of release (such as retirement).

Your preservation age differs from the Age Pension age, which is 67. Eligibility for the Age Pension also depends on residence, income, and asset tests. Veterans' payments have separate eligibility rules. These government benefits are distinct from your entitlement to access super.

Investment Strategy

The Trustee must formulate, implement and regularly review the Fund's written investment strategy. It must address risk and return, diversification, liquidity, liabilities and whether to hold insurance for members, having regard to the Fund's circumstances.

The ATO expects a review at least annually and when circumstances change. Keep evidence of the review, even if no change is needed. Check whether you have:

- considered insurance for members as

What supports your asset values? Annual accounts must use market value. Keep objective evidence for your auditor. This does not mean buying a fresh independent valuation for every asset every year.

Superannuation Industry (Supervision) Regulations 1994 (Cth) reg 8.02B.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

Trustee must support those values with objective and supportable evidence and provide that evidence to the auditor. A fresh paid independent valuation is not required for every asset every year. Obtain an independent valuation where the law requires it or the circumstances make it necessary.

Marriage breakdown and super

On a relationship breakdown, super may be divided under a binding superannuation agreement or court order. A split does not necessarily make the money immediately available: preservation and payment rules continue to apply. Obtain legal and tax advice about the arrangement and its consequences.

Cooling-off and leaving the Fund

The ordinary statutory 14-day cooling-off right does not apply to acquiring an ordinary membership interest in this non-public-offer SMSF. Regulation 7.9.64(1)(f) of the *Corporations Regulations 2001* (Cth) preserves exceptions for products issued under regulation 7.1.04E and certain pensions under regulation 7.9.02(4). Starting a pension may therefore attract cooling-off rights even where the Fund pays it directly. The Trustee must identify and explain any applicable right when issuing the pension. External insurance or investment products may ha
If y
tra
fu
wi
ou
ar
ap

Keep your PDS current. When the Fund's arrangements change, check what members need to know. Give them the current disclosure and access to the Deed. Keep a record of the information you supply.

Read the PDS with your Fund's governing rules and current arrangements.

PDS included in your Pension Kit:
legalconsolidated.com.au/reversionary-pension/

Definitions

The words and terms used in this PDS have the same meaning and definitions as used in the Deed.

About this PDS

Your rights and the Trustee's powers depend on the Deed and applicable law. Changes to the Fund must comply with both. The PDS describes the Fund; it does not remove statutory rights or excuse misleading disclosure. Obtain a current copy and any further information you need before making a decision.

Get professional advice about the fund

Your decision to become a member of the fund is important and involves issues including retirement planning, estate planning, taxation, and social security. You should consult a professional adviser before you decide to become a member or to have contributions made to the fund on your behalf.

)S provides general information. It is not a
nendation to become a member or an
ment of your personal circumstances. Do
e your decision solely on this PDS.
er the Deed, the Fund's actual
ements and appropriate professional