

STRUCTURED SAVER FUNDS

PRODUCT DISCLOSURE STATEMENT

for the Tertiary Saver Fund, the Private Saver Fund and the Extras Saver Fund

Date: 19 October 2018



IMPORTANT INFORMATION

This Product Disclosure Statement (PDS) is a summary of the features, benefits, risks and costs of ASG's Structured Saver Funds which comprise the Tertiary Saver Fund, the Private Saver Fund and the Extras Saver Fund (referred to as 'the Funds' in this PDS). The Funds are issued and managed by the Australian Scholarships Group Friendly Society Limited ABN 21 087 648 879 AFSL No. 236665 (ASG).

The Funds are issued by ASG under Rule 65: Pathway Education Fund, a registered benefit fund of its Constitution. The Funds are part of the Pathway Education Fund and the assets and liabilities of the Funds are not segregated from the assets and liabilities of the Pathway Education Fund.

The information in this PDS is general information only and does not take into account your investment objectives, financial situation or particular needs. Before making any decision based upon information contained in this PDS, you should read it carefully in its entirety, and consider consulting with a financial adviser or tax adviser.

This PDS has been prepared to comply with the requirements of the laws of Australia. No membership is being offered to any person whose registered address is outside of Australia unless ASG is satisfied that it would be lawful to make such an offer. The distribution of this PDS in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this PDS should seek their own advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This document can only be used by individuals receiving it in Australia. No applications will be accepted on the basis of this document once it has been replaced with an updated PDS.

This PDS is available in electronic format on our website. A printed copy is also available free of charge.

CURRENT INFORMATION

Information in this PDS (and any Supplementary Product Disclosure Statement) may change from time to time. A change that is not materially adverse may be updated by us without notice. You can request a paper copy of the updated information free of charge or you may download a copy from our website at www.asg.com.au.

We will inform you of any material changes that could affect the information in this document.

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THE AUSTRALIAN SCHOLARSHIPS GROUP (ASG) OFFERS A RANGE OF PRODUCTS AND SERVICES TO SUPPORT YOU IN PLANNING FOR YOUR CHILD'S EDUCATION.

Education positively shapes children's lives. It builds skills for the future, develops resilience for times of hardship and sets students up for future success. At ASG, we believe that everyone should have access to a good education and the opportunity to explore and nurture their interests and talents.

ABOUT ASG

ASG was established in 1974 by a group of parents passionate about giving their children the best start in life through education.

ASG is a member owned education services provider operating in Australia and New Zealand that helps families plan and save for their children's education.

ASG's members enjoy support through a range of tools and information designed to further their child's academic, social and emotional development. From parenting information to career planning tools, our expanding resources provide expert advice for all ages from early childhood to post-secondary and beyond.

Our education funds allow parents to make regular contributions to a tax effective education fund that helps to offset education fees and other related expenses.

ASG is incorporated as an unlisted public company under the Corporations Act 2001 and registered as a friendly society under the Life Insurance Act 1995.

WHY ASG

Our education funds offer a range of options to plan for the costs of education. ASG's conservative balanced approach for long term sustainable growth and use of experienced fund managers provides you with peace of mind.

With approximately \$1.4 billion in funds under management, ASG is the largest provider of education scholarship plans and the second largest friendly society in Australia.

Since our inception, ASG has supported the education journey of more than 551,000 children and more than \$3.1 billion has been returned to members and their children in the form of Education Benefits and scholarship payments.

All of our funds are designed to qualify as scholarship plans under Australian taxation law. This is a unique advantage and means that your funds can achieve favourable tax treatment provided they are used for education purposes (see 'What are the tax benefits?' on page 10).

Planning for your child's education is a big responsibility. We are here to make that important task a little easier.

ASG'S STRUCTURED SAVER FUNDS

Our Structured Saver Funds can help you save for a specific stage of your child's education journey.

You can choose from three tailored options, each with a structured contribution amount and schedule to help you and your child reach your education goals. The set contribution schedule is designed to give you confidence that your funds will be there, ready to use at the time of your chosen life event.

	Tertiary Saver Fund	Private Saver Fund	Extras Saver Fund
Description	The Tertiary Saver Fund has been designed to help you save for a tertiary education for your child.	The Private Saver Fund has been designed to help you save for a private secondary education for your child.	The Extras Saver Fund has been designed to help you save for the non-tuition costs that arise during government secondary education.
Contribution amount*	\$250 per month	\$750 per month	\$100 per month
Contribution timeframe	10 years	8 years	8 years
Benefit Payment**	Over 3 years starting in first year of tertiary studies.	Over 6 years starting in first year of secondary school.	Over 6 years starting in first year of secondary school.

*Contribution amount is indexed at 5% per annum to keep up with inflation. The Funds are designed to encourage members to make structured and regular contributions. Under the rules applicable to the Funds, members may make additional contributions. Refer to page 14 of this PDS for more information.

** Benefit Payments include Return of Contributions, Scholarship Plan Benefit payments and Insurance Bond Benefit payments. The Funds are designed to encourage members to apply for Benefit Payments when the nominated child reaches tertiary or secondary schooling (as applicable) and after the full contribution schedule has been completed. Under the rules applicable to the Funds, members may apply for Benefit Payments at any time but a payment can only be taken as Scholarship Plan Benefit if it is for educational related expenses (refer to page 9 of this PDS for more information).

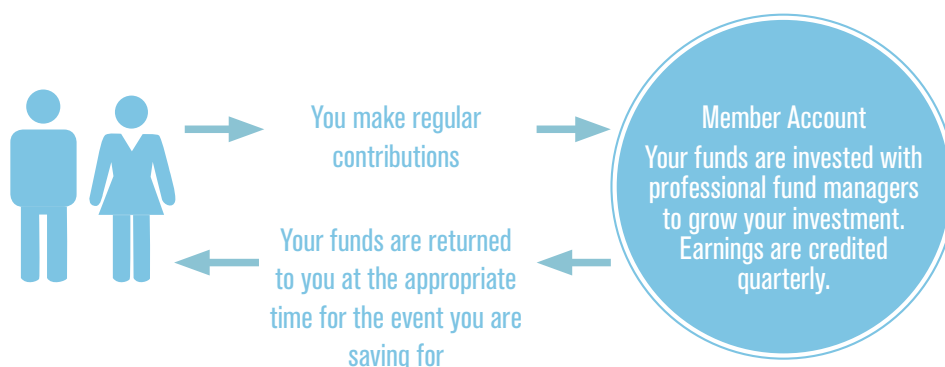
The Funds have been established with the sole purpose of providing benefits for the education of nominated student beneficiaries. They qualify as scholarship plans under the Income Tax Assessment Act 1997 and are 'tax-paid' investments. This means that the Funds pay tax on the investment earnings of your contributions, at the current tax rate of 30 per cent.

The company tax rate may change as a result of legislative changes based on the federal budget. We will notify you of any changes that may impact your benefits.

Please refer to the 'Frequently asked questions' section of this PDS for further information about the risks with investing in the Funds.

SUMMARY OF HOW STRUCTURED SAVER FUNDS WORK

The Funds are issued by ASG under Rule 65: Pathway Education Fund, a registered benefit fund of its Constitution, and operate with the sole purpose of providing benefits for the education of nominated children or individuals (known as nominated beneficiaries).



Feature	Description	For further information
Structured contributions	A structured contribution schedule encourages discipline and regular planning to reach your savings goal.	See 'ASG's Structured Saver Funds' on page 4.
Indexed contributions	Contributions will increase by 5% each year to help keep up with the rising cost of living and education.	See 'ASG's Structured Saver Funds' on page 4.
Tax effective	Designed to qualify as a scholarship plan under Australian taxation law, which means ASG can claim a tax deduction on the Scholarship Plan Benefits it pays. ASG will pay the value of the deduction to the Member Account, thereby increasing the amount available to you. It also means your nominated beneficiary (and not you) will be treated as receiving the amount, for tax purposes. Or if you withdraw as an Insurance Bond Benefit, the member may receive earnings on a tax-paid basis – with the possibility of no further tax to pay.	See 'What are the tax benefits?' on page 10.
Investment management	Your contributions are invested with professional investment managers, chosen and monitored by ASG.	See 'How are my contributions invested?' on page 7.
Investment approach	The investment strategy is to provide market related returns using a range of investment funds managed by professional investment managers to achieve a conservative balanced risk profile.	See 'How are my contributions invested?' on page 7.
Range of education expenses covered	Assists with a wide range of education costs across secondary school and post-secondary study. Covers full-time and part-time study anywhere in the world.	See 'ASG's Scholarship Plan Benefit criteria' on page 11 and 'What are the tax benefits?' on page 10.
Fund Guardian	This feature allows you to appoint a Fund Guardian to administer your Member Account in the event of your death or mental incapacity. You may also appoint a nominee to receive the Benefit Payments in the event of your death and there is no nominated beneficiary or the nominated beneficiary dies after your death.	See 'Fund Guardian' on page 13.

WHO ARE STRUCTURED SAVER FUNDS SUITABLE FOR?

Anyone wanting to support a child's future education can become a member of ASG's Structured Saver Funds. This includes prospective parents, parents, grandparents or relatives and existing ASG members. Members must be aged 16 years or over.

When you become a member you can nominate a child (beneficiary) who will be eligible for Scholarship Plan Benefits paid from the Member Account.

If you are saving for a beneficiary who hasn't been born yet or you haven't decided which beneficiary you would like to nominate, you can open an account and then notify ASG when you have decided.

You must nominate a beneficiary prior to being eligible for Scholarship Plan Benefits. If a claim benefit does not meet the Scholarship Plan Benefits criteria, it will be paid as Insurance Bond Benefits. Please refer to the section 'What are the tax benefits?' on page 10 for more information on Scholarship Plan benefits and Insurance Bond benefits.

The Structured Saver Funds have been designed for members saving for a Secondary or Tertiary education for a child (beneficiary) with a set contribution schedule of between 8-10 years depending on the structured fund selected by you. As such, if the child (beneficiary) is over 9 years of age for the Tertiary Saver Fund or over 5 years of age for the Private Saver Fund and Extras Saver Fund, you should consider whether this is a suitable product for you.

The cost of education has been rising at more than twice the rate of inflation over the past decade.* However, with some forward planning and budgeting you can give your child a good education and a strong future.

*Australian Bureau of Statistics (Source: Jun 18 -6401.0 Consumer Price Index, Australia)

CONTRIBUTIONS

Upon joining, ASG will establish a Member Account on your behalf. Any contributions you make will be allocated to this account as will any applicable investment earnings that are generated.

Structured Saver Funds offer a disciplined contribution schedule to maximise your saving ability.

How much	Frequency	Method of contribution
Tertiary Saver Fund - \$250 per month	Pay bi-monthly, monthly, quarterly, bi-annually or annually.	Payments can be made by direct debit or credit card*.
Private Saver Fund - \$750 per month		
Extras Saver Fund - \$100 per month		

Contributions are not subject to GST

*Credit card fees apply

Contributions are indexed and will increase by 5% each year to help keep up with the rising cost of living and education.

If you no longer wish to make contributions as per the schedule, you may change it. Please refer to the 'Frequently asked questions' section of this PDS.

WHAT IS THE MAXIMUM AMOUNT OF CONTRIBUTIONS I CAN MAKE?

Under the Rules applicable to the Funds, you can make contributions up to \$600,000 per nominated beneficiary enrolled. Under the set contribution schedule for the Structured Saver Funds, this maximum is unlikely to be reached.

We review this maximum annually in line with changes in total education costs and will advise you accordingly. If you make a contribution that causes you to exceed the \$600,000 maximum per nominated beneficiary, we will return the contribution to you.

WHAT IS THE MINIMUM AMOUNT I CAN HAVE IN MY ACCOUNT?

Your Member Account is subject to a \$2000 minimum account balance. This minimum balance must be achieved within the first two years of enrolment, or we may close your Member Account (see 'Do I need to maintain a minimum account balance?' on page 15 for further details).

ETHICAL INVESTMENT CONSIDERATIONS

ASG is a signatory to the United Nations Global Compact. As such, ASG shall invest with investment managers which are signatories to either / or the United Nations Principles for Responsible Investment (UNPRI) and United Nations Global Compact (UN GC) for greater than 90% of ASG's total funds under management. This shall be reviewed annually by the Investment Committee.

ASG's Investment Policy calls for the use of professional investment managers and provides such managers with broad investment guidelines however recognises that it is not practical to be consulted on each investment decision made by the managers.

However, ASG actively manages its investments so that it does not intentionally agree to invest in companies that:

- » Create, encourage or perpetuate militarism
- » Engage in the manufacture and/or use of armaments in contravention of the Geneva Convention
- » Unfairly exploit labour
- » Contribute to the inhibition or exploitation of human rights generally
- » Illegally exploit the environment

ASG acknowledges that ethical considerations are somewhat subjective. However, it appreciates that the appointed investment managers take these matters into consideration in selecting, retaining or realising investments, to the extent that they are considered consistent with the investment objectives.

HOW ARE MY CONTRIBUTIONS INVESTED?

The investment strategy of the Funds is to provide market related returns using a range of investment funds managed by professional investment managers to achieve a conservative balanced risk profile. All investments made are within the asset allocation ranges outlined below as required under the rules of the Fund.

The investment funds used by ASG provide diversification by investing in defensive assets such as fixed interest securities and cash, as well as growth assets such as equities, property and infrastructure.

The asset allocation benchmarks and minimum or maximum asset allocation requirements under the rules of the Fund are as follows:

Investment type	Minimum percentage of funds	Maximum percentage of funds	Benchmark percentage of funds
Australian Shares	0	40	13
International Shares	0	40	19
Property & Infrastructure	0	20	13
Total Growth Assets			45
Mortgage Securities	0	10	0
Australian Fixed Interest	0	70	30
International Fixed Interest	0	70	10
Cash and Deposits at Call	0	100	15
Total Defensive Assets			55
TOTAL ASSETS			100

ASG reserves the right to change the asset allocation at any time within the ranges specified in the table, however we will notify you if the investment strategy materially changes from what is described here.

ASG reserves the right to change investment managers or the underlying investment funds at any time.

ASG's investment approach is outlined in the rules contained within ASG's Constitution (see 'Your rights' on page 17).

WHAT RETURNS DO I GET?

The net investment returns of the Funds are paid by way of a declared rate of return and allocated to each Member Account as investment earnings (known as 'earnings'). The allocation of these earnings is calculated based on the daily balance of the Member Account. The declared rate of return is declared quarterly for each respective quarter (ending in March, June, September and December) on the advice of ASG's actuary and are calculated by taking into account the gross investment returns and the Fund expenses, taxation and any applicable prudential requirements. This means all investment earnings (positive or negative) are allocated to individual Member Accounts each quarter.

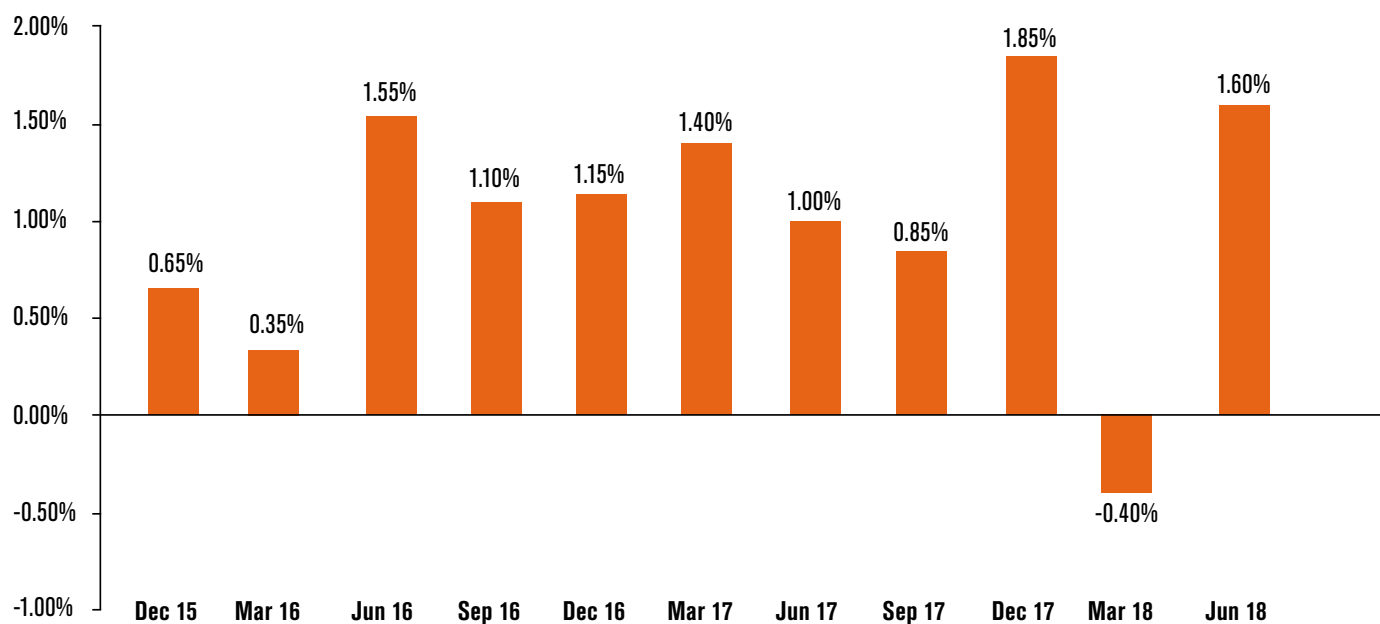
The quarterly rate of return is normally declared within 30 days from the end of each respective quarter. Once declared it will appear as a transaction in your Member Account with the date of the last day of the applicable quarter.

You will be advised of the rate through an Annual Member Statement. The rate is also published in other ASG publications including the annual report and a member newsletter. You can also monitor your investment returns online by visiting www.asg.com.au and logging into your My ASG member account.

In addition, on exit from the Fund you will be entitled to an interim declared rate of return applicable from the start of the quarter to the date of exit.

As investment returns vary year to year, ASG cannot guarantee positive investment returns and may allocate a negative rate of earnings in any particular quarter. Any negative investment returns will be applied against the Member Account and may affect the amount of the Scholarship Plan Benefit and Insurance Bond Benefit paid and the balance in your Member Account generally.

Declared Rate of Return



The declared rate of return is applied to the Member Account quarterly. It represents returns after applicable fees and tax.

If earnings are claimed as a Scholarship Plan Benefit, the tax already paid on earnings by ASG is expected to be effectively refunded to the Member Account, thereby increasing the amount paid to you.

Note: Past performance is not a reliable indicator of future performance.

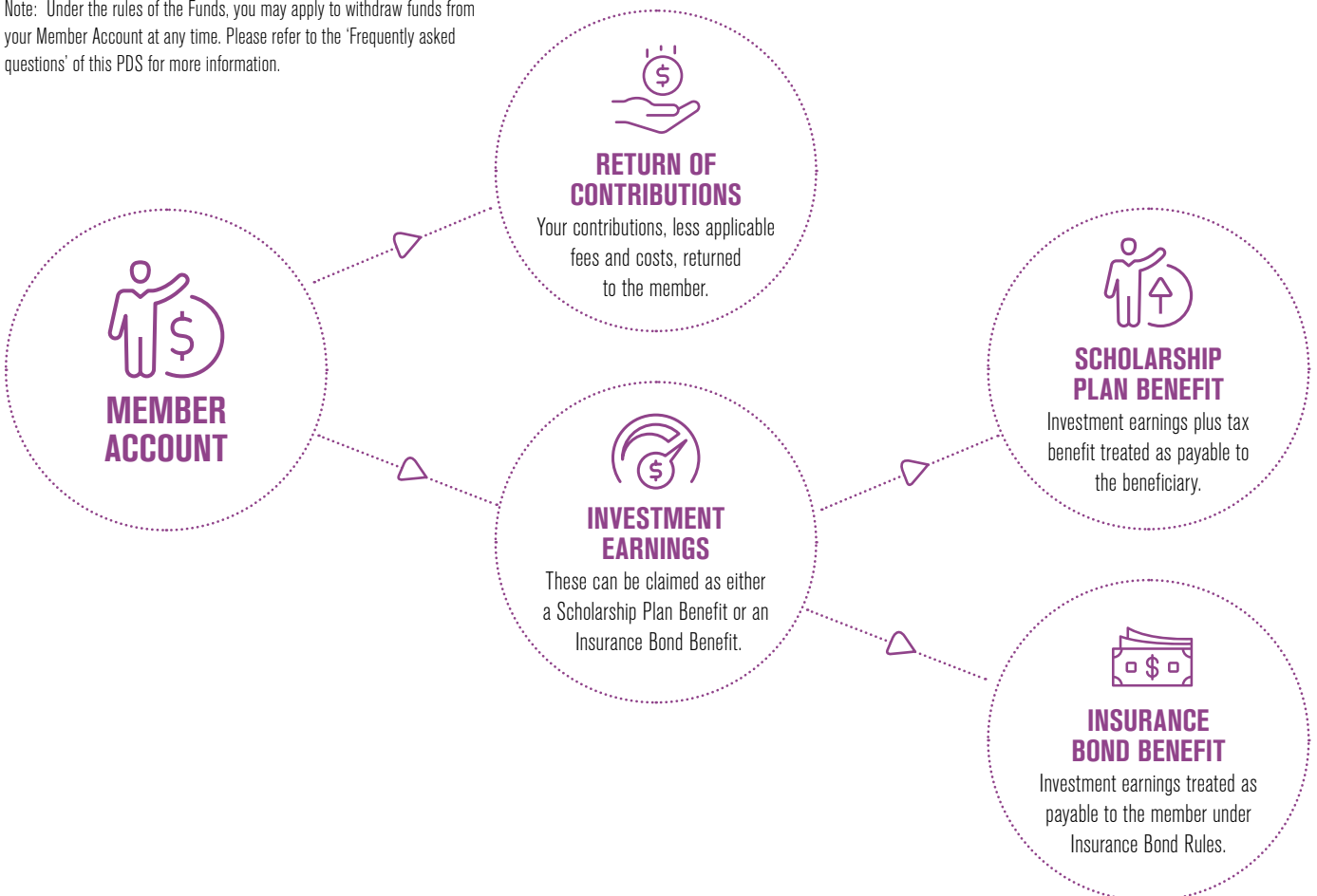
Note: The amount of tax expected to be effectively refunded may be affected if the Fund tax rate changes.

WHEN IS THE MONEY RETURNED TO ME?

Once you have completed the structured contribution schedule, ASG will contact you to arrange for you to start receiving Benefit Payments. The Funds are designed to make payments to you annually over a specified period of time, depending on the Fund you have selected. The table below explains how this works.

	Tertiary Saver Fund	Private Saver Fund	Extras Saver Fund
When do I receive my payments?	Payments are received annually over a period of three (3) years once your nominated beneficiary commences post-secondary study.	Payments are received annually over a period of six (6) years once your nominated beneficiary commences secondary school.	Payments are received annually over a period of six (6) years once your nominated beneficiary commences secondary school.
Additional information around how the Benefit Payments are dispersed is available on our website at www.asg.com.au			
What do my payments consist of?	<p>Payments can consist of net contributions, investment earnings, or a combination of both (depending on what type of Benefit Payment you apply for).</p> <p>Net contributions - your contributions less applicable fees and costs. This is returned tax-free in the hands of the member. When your net contributions are repaid, they are treated as a Return of Contribution payment and not as a Scholarship Plan Benefit or an Insurance Bond Benefit.</p> <p>Investment earnings can only be claimed as either a Scholarship Plan Benefit or an Insurance Bond Benefit:</p> <p>Scholarship Plan Benefit - the amount must be paid from investment earnings and will be increased by a tax benefit. This is because ASG can claim a tax deduction for Scholarship Plan Benefits paid, and it passes this benefit on to your nominated beneficiary. A payment can only be claimed as a Scholarship Plan Benefit if it is for educational related expenses.</p> <p>Insurance Bond Benefit - the amount must be paid from investment earnings and will not be increased by a tax benefit; however, it may be tax-free in the hands of the member pursuant to the Insurance Bond Rules. An Insurance Bond Benefit may be paid for non-educational purposes.</p> <p>In determining the best payment breakdown for your personal circumstances, we recommended you consult a financial adviser or tax adviser. For more information on the tax implications please refer to 'What are the tax benefits?' on page 10.</p>		

Note: Under the rules of the Funds, you may apply to withdraw funds from your Member Account at any time. Please refer to the 'Frequently asked questions' of this PDS for more information.



WHAT ARE THE TAX BENEFITS?

The Funds have been established with the sole purpose of providing benefits for the education of nominated beneficiaries. They qualify as scholarship plans under the Income Tax Assessment Act 1997 and are 'tax-paid' investments. This means that the Funds pay tax on the investment earnings of your contributions, at the current tax rate of 30 per cent.

The Fund tax rate may change from time to time. We will notify you of any changes that may impact your benefits.

The main tax benefits are as follows:

- » You are not required to report and pay tax at an individual level on the ongoing investment earnings until you withdraw them. This tax feature may attract flow-on benefits by not increasing your personal taxable income.
- » You can access your net contributions (your contributions less applicable fees and costs) without having to pay any tax on the net contributions.
- » Investment earnings are paid either as a Scholarship Plan Benefit or as an Insurance Bond Benefit, depending on your claim and whether it meets the Scholarship Plan Benefits criteria. Each type of Benefit paid has different tax implications. We recommend you consider speaking to a financial adviser or a tax adviser, prior to making a claim.

If you withdraw your earnings as a Scholarship Plan Benefit:

- » The amount paid will be increased by a tax benefit. This is because ASG can claim a tax deduction for Scholarship Plan Benefits paid, and it includes this benefit for your nominated beneficiary.
- » The earnings including the tax benefit will be taxed at the beneficiary's marginal tax rate.
- » Your nominated beneficiary may not have to pay any personal tax on the amount received, especially if they are aged 18 years or over (by the end of the tax year) and report taxable income less than their effective tax free threshold.* If they are aged under 18 years, a much lower tax free threshold* generally applies.

*See the Australian Taxation Office (ATO) website for more information on individual income tax rates and the tax free thresholds: www.ato.gov.au.

If you withdraw your earnings as an Insurance Bond Benefit:

- » They are subject to Insurance Bond Rules. ASG cannot claim a tax deduction for these payments, so the benefit amount remains at its tax-paid value.

- » If you maintain your account for over 10 years from the date of the initial contribution, there is no personal tax payable on any withdrawals made after this time. This is because earnings on the initial contribution and all subsequent contributions will be tax-paid to the member. This is subject to the 125 per cent rule (see the fact sheet 'Tax and the Pathway Education Fund' available at www.asg.com.au).
- » If you make a withdrawal within 10 years from the date of the initial contribution, some or all of the earnings component of your withdrawal could be included in your assessable income for tax purposes (see the fact sheet 'Tax and the Pathway Education Fund' available at www.asg.com.au). However, under present tax rules, you will also receive a 30 per cent tax offset for any assessable component.

Note:

If a payment is made due to any of the following reasons, it will be received on a tax paid basis and the amount received is tax free in your hands:

- Death, accident, serious illness or other disability of a nominated beneficiary or you (as the member), or unforeseen serious financial difficulties affecting you (as the member).

This is general information only and does not take into account your personal financial circumstances or needs and we suggest you consider speaking to a financial adviser or tax adviser.

What is a Scholarship Plan Benefit?



A Scholarship Plan Benefit is an education related payment made from your investment earnings for the benefit of your nominated beneficiary. You can make a claim for education expenses where they relate to or have been incurred for an education or training program that meets ASG's Scholarship Plan Benefit criteria (see page 11)

For more information please see the fact sheet 'Tax and the Pathway Education Fund' available at www.asg.com.au

What is an Insurance Bond Benefit?



Insurance Bond Rules are special tax rules that apply to insurance bonds (including certain savings plans such as Structured Saver Funds), when benefits other than Scholarship Plan Benefits are paid. They are therefore applicable to earnings you withdraw that do not qualify as a Scholarship Plan Benefit.

For more information please see the fact sheet 'Tax and the Pathway Education Fund' available at www.asg.com.au

WHO WILL PAY TAX ON WITHDRAWALS?

Withdrawal type	Who is treated as receiving the amount for tax purposes?	Tax status of amount received	
Return of net contributions	Member	Tax-free	
Scholarship Plan Benefit	Nominated beneficiary	Under age 18: Taxed at rates applicable for minors (generally)*	Age 18 or over within the financial year: Taxed at adult marginal rates
Insurance Bond Benefit	Member	Depending on when you make a withdrawal, assessable to the member at the marginal tax rates and subject to the Insurance Bond Rules	

*Income received by an 'excepted minor' or if otherwise treated as 'excepted income' is taxed under the standard marginal tax rates applicable to adults (aged 18 or over).

For more information on 'excepted minors' or 'excepted income' please refer to the ATO website: www.ato.gov.au

For more information on how Scholarship Plan Benefits and Insurance Bond Benefits are affected by tax please visit our website www.asg.com.au or refer to our fact sheet, 'Tax and the Pathway Education Fund'.

ASG'S SCHOLARSHIP PLAN BENEFIT CRITERIA

When funds are withdrawn as a Scholarship Plan Benefit to help pay for school or course fees and a broad range of education related expenses, the request for withdrawal must meet ASG's Scholarship Plan Benefit criteria. You must submit relevant evidence at the time of your request, to show that the funds are being used for valid education related expenses.

All full-time and part-time studies recognised by state, territory and federal education departments qualify. Study may be taken in Australia or overseas (in which case recognition by an equivalent overseas government education department will also be accepted).

DETAILS OF SCHOLARSHIP PLAN BENEFIT CRITERIA

Course fees

Any course fee charged by the following institutions can be claimed as a Scholarship Plan Benefit:

- » University (Australia or overseas)
- » TAFE college
- » Registered Training Organisations
- » Professional bodies (CPA, CFA[®] etc.)
- » Secondary school
- » Primary school
- » Preschool

Any higher education course that is eligible to receive HECS or HELP support from the Australian government is eligible.

Government recognised or sanctioned apprenticeship courses are also eligible.

Expenses

Expenses can be claimed in relation to the completion of any course that meets ASG's Scholarship Plan Benefit criteria, where the expenses are a requirement of completing the course, e.g. claiming an accounting text book when you are completing an accounting degree.

Expenses include:

- » text books
- » computers
- » travel expenses
- » excursions and schools camps
- » living away from home expenses (rent, utilities)
- » tools of the trade (calculators, measuring devices, hammers, personal safety equipment).

ASG's Scholarship Plan Benefit criteria may be changed at any time. For the most up-to-date list of criteria, go to www.asg.com.au/educationbenefitcriteria. Whether evidence provided meets ASG's Scholarship Plan Benefit criteria is at the sole discretion of ASG.

FEES AND OTHER COSTS

This section shows fees and other costs that you will be charged. These fees and costs will be deducted from your Member Account, from the returns on your investment or from the Funds' assets as a whole. You should read all the information about fees and costs because it is important to understand their impact on your Member Account.

Type of fee or cost	Tertiary Saver Fund	Private Saver Fund	Extras Saver Fund	How and when paid
Fees when your money moves in or out of your Member Account				
Joining fee The fee to join ASG as a member	Nil	Nil	\$50 for new members Nil for existing ASG members	A separate one off fee per membership, payable upon joining
Contribution fee The fee on each amount contributed to your Member Account	Nil	Nil	Nil	N/A
Withdrawal fee The fee on each amount you take out of your Member Account	Nil	Nil	Nil	N/A
Termination fee The fee to close your Member Account	Nil	Nil	Nil	N/A
Management costs				
Administration fee* The fees and costs for administrating your Member Account	\$30 per annum++	Nil++	\$50 per annum++	Deducted from your Member Account on a quarterly basis.
Management costs The fees and costs for managing the Fund.	1.30% per annum	1.30% per annum	1.30% per annum	Calculated on the average balance of the net assets of the Fund in each quarter and deducted from the investment earnings of the Fund prior to a declared rate of return being determined and applied to the Fund.
Indirect investment management costs The fees and costs charged by underlying investment managers utilised by ASG in managing some assets of the Fund	This cost varies from time to time and ranges between 0.00% to 0.50% p.a depending upon the investment managers in place. With the current investment managers in place, this cost is approximately 0.33%	This cost varies from time to time and ranges between 0.00% to 0.50% p.a depending upon the investment managers in place. With the current investment managers in place, this cost is approximately 0.33%	This cost varies from time to time and ranges between 0.00% to 0.50% p.a depending upon the investment managers in place. With the current investment managers in place, this cost is approximately 0.33%	Calculated and charged in accordance with the rules of the underlying investment products utilised by ASG. Fees are deducted from the investment earnings paid by the underlying investment managers.

Note:

The above fees are currently not subject to GST

*During each of the first two years of enrolment, if the value of the annual Administration Fee is greater than the sum of the quarterly declared rates of return for that year, then a rebate of the difference will be applied to your account up to the amount of the Administration Fee charged for that year.

++ Administration fee – If the structured contribution schedule is switched off the administration fee becomes \$60 per annum

ADDITIONAL EXPLANATION OF FEES AND COSTS

In addition to the fees and costs outlined in the fees table, the rules for the Funds permit ASG to reimburse itself from the Funds for the following expenses:

ASG has determined that the Direct expenses of the Structured Saver Funds, excluding the indirect investment management costs, will be met from the management costs, rather than reimbursed from the Funds (as permitted under the rules of the Funds). These costs will not be an additional cost to you.

Dishonour fees

Where a contribution is dishonoured, ASG retains the right to reimburse itself from a Member Account, the fee payable by ASG. As the dishonour fees vary depending on the bank(s) involved, ASG will pass on the actual cost or expense incurred to the relevant Member Account.

Merchant fees for credit card transactions

Where you choose to make your contributions by credit card, ASG will charge you 0.66 per cent of the transaction amount. This fee is charged on a cost recovery basis and reflects the amount payable by ASG to cover the cost of merchant fees in offering this service. Only credit card payments from VISA or MasterCard are accepted.

CHANGES TO FEES AND COSTS

The fees and costs that you will be charged are as disclosed on the previous page. If we choose to increase any of these fees and costs or introduce new fees at our discretion and in accordance with the rules of the Funds, we will advise you with no less than two months' notice in writing of the changes.

The Funds' rules provide as follows:

- (i) a maximum enrolment fee of \$250 per enrolment may be charged by ASG. This is called the 'Joining Fee', included in the fees and costs table on page 12.
- (ii) a maximum administration fee of \$150 per annum may be charged by ASG.
- (iii) a maximum ongoing management fee of 1.95 per cent of the average balance of the net assets of the Fund for the relevant period may be charged by ASG. This is called the Management cost in this PDS.
- (iv) a maximum fee of \$250 for each payment which can be deducted from a Member Account prior to a partial or full withdrawal. This is called the Withdrawal fee and the Termination fee in this PDS.

ASG reserves the right from time to time to reduce or waive all or part of any fee on terms and at times determined by ASG in its sole discretion. In these circumstances a reduction or waiver is not borne as an expense to the Funds.

FUND GUARDIAN

The Structured Saver Funds allow you to nominate a Fund Guardian.

What is the role of a Fund Guardian?

A Fund Guardian appointment gives a person the authority to act on the Member Account in the event of the death or mental incapacity of the member (or in the case of joint membership, of the last surviving joint member).

The Fund Guardian is limited to administering the Member Account in the best interests of the nominated beneficiary and as such is not entitled to any claim on the Member Account and should not act in any way to the advantage of the Fund Guardian.

A Fund Guardian cannot change the nominated beneficiary that you have specified. You can revoke the appointment of a Fund Guardian or amend the appointment at any time by notifying ASG in writing.

The appointment of an individual Fund Guardian is automatically revoked upon their death.

We recommend you seek legal advice before making any decision.

FREQUENTLY ASKED QUESTIONS

How can I offset the rising cost of education?

The rate of increase in education costs and expenses may exceed the investment earnings of the Fund. Your Structured Saver Fund has an automatic indexation feature that enables you to manage this risk.

Do I need to nominate a beneficiary?

You do not need to nominate a child (beneficiary) to open a Member Account, however, you must nominate the beneficiary prior to making a withdrawal for a Scholarship Plan Benefit. You can do this any time between enrolment and submitting a withdrawal request.

What if my plans change, can I alter my contributions?

The Funds are designed with a set contribution amount. However, under the rules of the Funds you may make contributions at any level subject to a minimum set by us.

If you no longer wish to make contributions under your Structured Saver Funds contribution schedule, you may change the level of regular contributions at any time, make ad-hoc contributions or close your Member Account. If you choose to change your regular contribution level, or make ad-hoc contributions you may also make withdrawals on a flexible, ad-hoc basis (see 'what happens if I can't keep up with my contribution schedule?' on page 14 for further information). The automatic indexation feature will continue to apply to regular contributions unless you elect otherwise.

A higher administration fee will apply (refer to the 'Fees and other costs' section of this PDS) for this flexible option and will continue to apply if you later choose to make contributions at the same dollar amount as the structured schedule or not withdraw any funds prior to the relevant schooling.

Please note, any cessation of contributions and subsequent contributions may trigger the 125 per cent rule (see the fact sheet 'Tax and the Pathway Education Fund' available at www.asg.com.au).

How do I cancel my Member Account?

You may cancel at any time by notifying ASG in writing. For more information call ASG on 131 ASG (131 274).

What do I get if I cancel my Member Account?

You will receive your net contributions plus or minus any investment earnings (whether positive or negative) calculated up to the day your withdrawal is processed by ASG, less any benefits paid out of your Member Account.

When can I make a withdrawal?

The Funds are designed to pay out your Member Account balance while the beneficiary is undertaking their chosen study at tertiary or secondary level (as applicable). This will depend on the Fund(s) that you have

chosen and when your child reaches that stage of their life (refer to 'When is the money returned to me?' on page 9).

Under the rules of the Funds, you may apply to withdraw funds from your Member Account at any time.

If you make a request to withdraw some of your funds prior to the beneficiary undertaking tertiary or secondary studies (as applicable), your Member Account will remain open but the structured contribution schedule will cease. You will have greater flexibility in making ad-hoc contributions at a level and time that suits you. The automatic indexation feature will continue to apply to regular contributions unless you elect otherwise. A higher administration fee will apply (refer to the 'Fees and other costs' section of this PDS) for this flexible option and will continue to apply if you later choose to make contributions at the same dollar amount as the structured schedule or not withdraw any funds prior to the relevant schooling.

Please note, any cessation of contributions and subsequent contributions may trigger the 125 per cent rule (see the fact sheet 'Tax and the Pathway Education Fund' available at www.asg.com.au).

Can I change my nominated beneficiary?

After you have nominated a beneficiary, you have the ability to change your nomination. For more information see 'What happens when my nominated beneficiary finishes their education?' and 'How long does my Member Account stay open?' on page 15.

What happens when my nominated beneficiary finishes their education?

Once your nominated beneficiary has completed his/her education you may request a cancellation of your Member Account. Should any funds remain in your Member Account, they will be returned to you. You will receive any residual net contributions tax free and any investment earnings will be returned to you as an Insurance Bond Benefit for tax purposes (see 'What is an Insurance Bond Benefit?' on page 10 for further details).

Alternatively, you may wish to nominate another beneficiary or leave your Member Account open (please refer to 'What if my plans change' on page 14).

What happens if I can't keep up with my contribution schedule?

If you are unable to maintain your contributions but do not wish to close your Member Account, or you simply wish to change your contributions, you may choose to 'switch off' the structured contribution schedule. This will enable you to make ad-hoc contributions and withdrawals as and when it suits you. Withdrawals can be for both education and non-education expenses.

If your contributions fall three months behind, ASG may 'switch off' the structured contribution schedule on your Member Account to give you greater flexibility in making contributions.

If the structured contribution schedule is 'switched off', the Administration fee will be charged at a higher rate, currently \$60 per annum (refer to the 'Fees and other costs' section of this PDS) for this flexible option and will continue to apply if you later choose to make contributions at the same dollar amount as the structured schedule or not withdraw any funds prior to the relevant schooling.

Please note, any cessation of contributions and subsequent contributions may trigger the 125 per cent rule (see the fact sheet 'Tax and the Pathway Education Fund' available at www.asg.com.au).

Do I need to maintain a minimum account balance?

You must maintain a minimum account balance of \$2000. If the minimum balance is not maintained (after the first two years of joining the Fund) and no contributions have been received for a period of 12 months, ASG will then take steps to close your Member Account and return the funds to you. You will receive your residual net contributions tax free and any investment earnings will be returned to you as an Insurance Bond Benefit for tax purposes (see page 10 for further details).

How long does my Member Account stay open?

Your Member Account will stay open until one of the following occurs:

- » 99 years from the date of the initial contribution
- » the account is closed at your request
- » the minimum account balance is not maintained
- » the last surviving member dies
- » the nominated beneficiary dies after the death of the last surviving member.

Should any funds remain in your Member Account at the time of closure they will be returned to you, or in the event of your death, your legal personal representative.

You will receive any residual net contributions tax free and any investment earnings, will be returned to you as a Insurance Bond Benefit, subject to Insurance Bond Rules for tax purposes.

Can I switch between the Funds?

No, you cannot switch between the Tertiary Saver Fund, the Private Saver Fund and the Extras Saver Fund.

Are my investment returns guaranteed?

When considering enrolling in Structured Saver Funds, it is important to understand that:

- » investment returns can go up and down
- » future returns may differ from past returns
- » returns and net contributions are not guaranteed and will vary
- » you may get back less than what you paid in.

Do I need to provide my tax file number?

No, neither you nor your nominated beneficiary is required to provide a tax file number, under current tax and privacy laws.

What happens if the taxation rules applicable to ASG change?

Tax benefits under Structured Saver Funds (being a scholarship plan) may be affected by any future change to tax law. If this occurs, we will notify you in writing.

Can I use my Member Account as security to borrow or raise money?

You are not permitted to use your Member Account as security to borrow or raise money as this is one of the conditions for the tax concessional status of Structured Saver Funds and is also detailed in the rules of Structured Saver Funds.

What if a nominated beneficiary dies?

If a nominated beneficiary dies during the member/s lifetime, the member/s has two options:

- » At the member's request, their residual net contributions will be returned tax free, and any applicable investment earnings will be returned to them as an Insurance Bond Benefit and be subject to the Insurance Bond Rules; or
- » The member can nominate another beneficiary as the beneficiary of the Member Account.
- » If the nominated beneficiary dies after the death of the last surviving member, the net residual contributions and any applicable investment earnings are paid or to the member's legal personal representative. Your Member Account will close on completion of this process.

What happens if I die and there is no nominated beneficiary?

Your Member Account will be closed and your residual net contributions and any investment earnings will be paid to your Nominee (you may nominate a person to receive your account balance) or in the absence of a Nominee, to your legal personal representative.

What happens if I die while a nominated beneficiary is undertaking an approved course?

Your membership will continue while the nominated beneficiary is undertaking an approved course, with the Fund Guardian or your legal personal representative (as applicable) being responsible for administering your Member Account for the benefit of the nominated beneficiary.

How does ASG manage investment risks?

ASG actively manages investment risks, however, all investments have some level of risk. In particular, the risks which may affect your investment in Structured Saver Funds include the following types of investment risks shown in the below table.

Risk type	Explanation
Market risk	<p>Certain events may have a negative effect on the value of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment.</p> <p>Market risk is managed and monitored by undertaking all activities in accordance with established mandates and investment strategies.</p>
Credit risk	<p>The issuer or party to a transaction may not repay the principal, make interest payments or fulfil other financial obligations in full and/or on time. The market value of an investment can also fall significantly when the perceived risk of this investment increases or its credit rating declines.</p> <p>We deal with creditworthy entities and obtain sufficient collateral where appropriate. Our risk exposure and the credit ratings of entities we deal with are monitored.</p>
Liquidity risk	<p>From time to time, some investments of the Fund may not be easily converted to cash due to market conditions.</p> <p>In managing this risk, we monitor the liabilities of the Fund. We ensure that an appropriate level of liquid assets is maintained together with a buffer for unforeseen demands.</p>
Currency risk	<p>For investments in international assets there is the potential that adverse movements in exchange rates will reduce their Australian dollar value.</p> <p>Exchange rate exposures are managed within approved policy parameters either directly by applicable fund managers or by using an averaging approach to the conversion of foreign currency into Australian dollars.</p>
Investment Manager risk	<p>The investment funds we invest in may not achieve their investment objectives in the short or long term. This could be caused by a number of reasons, for example, the loss of key personnel or economic conditions which do not favour a particular style of investing.</p> <p>We deal with top-tier investment managers which are subject to an approval process and ongoing performance monitoring.</p>
Legal and regulatory (including tax) risk	<p>Changes in legislation and other rules in domestic and foreign markets—including those dealing with taxation, accounting and investments—may adversely impact your investment.</p> <p>We manage this risk by monitoring government policy and lobbying for member needs when required and adapting our investment approach in line with any changes.</p>

WHAT ELSE DO I NEED TO KNOW?

Protecting your interests

ASG is a mutual organisation and member owned friendly society. This offers some important advantages to help protect members' interests. The assets of the Funds form part of the assets of the Pathway Education Fund but are separate from the operational funds and other benefit funds of ASG.

ASG employee representatives

Our employee representatives are salaried employees of ASG. They will provide you with a copy of the Financial Services Guide and this PDS. Note that employee representatives:

- › are not financial advisers
- › can only provide general financial advice (sales or product information)
- › cannot give you personal financial advice. If you require personal advice, you should contact a licensed financial adviser

Providing access to your account information

ASG respects and protects the privacy of your account details. You can nominate other parties, such as your accountant or financial adviser, to have access to your account information. Requests for access to your account information will only be actioned upon your written consent.

Membership

The ASG Constitution and the Funds' rules allow for membership of one, two or more people on an application.

In relation to joint membership, the first mentioned name on the application form is deemed to be the Prime Member and only this person is entitled to vote at the Annual General Meeting, unless otherwise specified on the membership.

Memberships with two or more people as members will be treated as a single membership of multiple and equal joint partners.

Any joint membership is to be operated as follows:

- › ASG's normal business practice is that both/all members must sign for and authorise all transactions (e.g. written or telephone effected transactions)
- › However both/all members may authorise any/either of the joint members to sign for and authorise transactions via My ASG. Responsibility for the consequences of this operating instruction will remain with both/all the joint members
- › A member may withdraw their authorisation (in whole or in part) that a joint account be transacted by one member via My ASG. This is to be done by written notice signed by both/all members

ASG reserves the right, upon notice being provided to the member(s), to override any member instructions for My ASG access and conduct a joint Account in accordance with its Rules and/ or normal business practices

(e.g. when it is notified of a dispute between the members) including withholding member payments pending written instructions from all/ both members. ASG also retains the ability to ask for identification proofs or details from all members. If your personal circumstances change in relation to your membership please contact ASG to discuss your options.

Your rights

The ASG Constitution, which includes the Funds' rules, details your rights and obligations as a member of ASG. A copy of this document will be provided on your request free of charge. All members have the right to receive audited copies of ASG's financial statements prior to the Annual General Meeting.

A copy of the most recent audited ASG financial statements is available on request from our registered office, or our website at www.asg.com.au

As a member of ASG, your liability is limited to no more than \$2 should ASG be wound up. All ASG funds would be paid out in accordance with the terms of the Constitution, the Corporations Act 2001 and the requirements of the Life Insurance Act 1995.

Cooling off period

If you change your mind within 14 days of receiving your confirmation of enrolment letter, please notify ASG in writing and we will fully refund all monies you have paid including any fees we have deducted from monies received from you.

Annual Member Statement

ASG will provide you with an annual member statement each year. The statement will also include your contributions, the portfolio structure, investment performance, declared rate of return, and value at the close of the financial year.

Tax statements

ASG will provide you or your nominated beneficiary with a tax statement, for the year in which assessable benefits are paid.

Communication

Subject to any legal requirements, ASG will provide you with a digital copy of the member newsletter, and other relevant communication to keep you informed of news and information that is pertinent to your membership.

Regulation

The activities of ASG are regulated by two federal bodies. The Australian Securities and Investments Commission (ASIC) regulates matters affecting incorporation, corporate governance, disclosure and consumer protection and ASG's Australian Financial Services Licence. The Australian Prudential Regulation Authority (APRA) regulates prudential standards and practices applying to banks, friendly societies and insurers to protect your financial wellbeing.

Interested parties

Apart from professional fees paid to experts associated with the preparation of the Financial Services Guide and PDS, no director of ASG or expert has any interest in the assets of the Fund or benefits referred to in this document, other than entitlements available through membership on the same terms and conditions applicable to you and other members of the Fund.

Experts' consent

An expert consent has been received from the independent tax consultant regarding the tax information disclosed in this PDS, being included in the PDS in the form and context in which it is included. This consent has not been withdrawn prior to the date of this document.

Neither this or any other expert has issued or caused the issue of this PDS.

Audit requirements

ASG and the Funds are required to be audited annually. The qualification and appointment of the auditor is determined by the ASG Constitution and the Corporations Act 2001.

Actuarial requirements

The appointed actuary is required to provide advice to the ASG Board and APRA regarding activities of the Funds. The appointed actuary also advises on financial projections and the annual valuation of the Fund. The qualification and appointment of the appointed actuary is determined by the ASG Constitution and the Life Insurance Act 1995.

Member enquiries

You can contact ASG's registered office with any enquiries regarding your membership or the Fund, or to request any information on your Member Account:

Post: 23-35 Hanover Street Oakleigh VIC 3166
Phone: 131 ASG (131 274)
Fax: 03 9563 2780
Email: customercare@asg.com.au
Web: www.asg.com.au
Business hours: 9am-6pm (AEST) Monday to Friday (National and Victorian public holidays excepted)

PRIVACY STATEMENT

This statement is a summary of ASG's privacy policy which can be accessed in full at www.asg.com.au. More information and detail on ASG's privacy processes can be found in the privacy policy.

Reasons for collecting personal information

ASG collects, receives, holds and uses personal information in order to perform

- » Its business purposes, functions or activities;
- » Related or consequential functions and activities and
- » Functions and activities which are known to, consented to or reasonably expected by individuals.

Information collected at enrolment

The information collected from or about you, including on the application form and the direct debit request form contained in this PDS, is information necessary to commence, manage and administer your Member Account and effect the payment of benefits and will be used for these purposes.

Related, consequential, known and reasonably expected functions and uses include marketing and promotion of our products and services, product research and development, member communications and member or customer surveys. This list is not exhaustive: reference should be made to the privacy policy for further or additional examples.

We will request information to enable us to properly confirm your identity (and in future the identity of your nominated beneficiary, Fund Guardian or authorised representative) as required by law and thereby enable us to commence your membership.

We will collect information from and about your nominated beneficiary(ies), a Fund Guardian or authorised representative (should you appoint one) for the same purposes, functions and activities.

If you, your nominated beneficiary, Fund Guardian or authorised representative do not provide complete information, we may not be able to process your application or commence, manage or administer your membership account. In this situation, we will contact you or them for the missing information.

Information collected after enrolment

After the commencement of your membership account we may collect, use or disclose further or additional information about you or your nominated beneficiary or a Fund Guardian/authorised representative (should you exercise your right to have one).

The purpose of this is to administer and manage your Member Account in accordance with the Fund rules, receive and process account contributions, effect member payments, respond to and effect information or service requests, better understand you and your service needs and deliver better service.

ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING LAWS

We will also use this information to:

- › market, promote and inform you, your nominated beneficiary or Fund Guardian/authorised representative about other ASG products, services or offerings
- › create statistical information for internal use
- › send you Annual Member Statements, newsletters and other membership or fund material
- › communicate with you, your nominated beneficiary, Fund Guardian or authorised representative.

These lists are not exhaustive: reference should be made to the Privacy Policy for further or additional examples.

Disclosure of personal information

We may disclose the information we collect to:

- › ASG agents, advisers or third party service providers assisting in the management and administration of your membership or fund
- › other organisations with whom ASG has, or may, form a joint venture
- › any government body or agency when required by law.

This list is not exhaustive: reference should be made to the privacy policy for more details.

Accessing and correcting your personal information

Subject to some exceptions allowed by law, you can ask ASG to:

- › confirm whether we hold any of your personal information
- › provide you with access to that personal information
- › update or correct your personal information.

If possible, we will give you access to your personal information. If we refuse, we will give you an explanation for the refusal. We will take reasonable steps to correct your information free of charge.

Storage and security of your information

We store personal information with a strong emphasis on its security and the protection of privacy.

We may change or update our privacy policy from time to time. If we make any changes, they will be published on our website. A full copy of our privacy policy is published on our website www.asg.com.au.

If you would like further information about our privacy policy or this Privacy Statement or have a privacy complaint, please contact us at:

Australian Scholarships Group
Post: 23–35 Hanover Street, Oakleigh VIC 3166
Phone: 131 ASG (131 274)
Email: privacy@asg.com.au

We are required to comply with Anti-Money Laundering and Counter Terrorism Financing Laws (AML/CTF Laws), including the need to establish your identity and, if relevant, the identity of other persons associated with your investment, including Fund Guardians and nominated beneficiaries.

Instructions for completing the identification process are detailed in the application form and our website. We may from time to time require additional information to assist with this process.

We may not be able to transact with you or other persons should we be unable to establish your or their identity. This may result in delaying, blocking, freezing or refusing to process a transaction or ceasing to provide you with a product or service. This may impact on your investment and could result in a loss of contributions and investment earnings. ASG is not responsible for any of these events or their consequences.

To comply with AML/CTF Laws, we may also require you to disclose whether you are or have an association with a Politically Exposed Person (as defined and determined by the AML/CTF Laws) and to identify the source of your investable assets/wealth.

COMPLAINTS HANDLING

ASG is committed to excellence with regard to the products and services we provide, and we make every effort to ensure we respond to the concerns of members as speedily and efficiently as possible.

If you have a complaint, please read your documentation thoroughly as the answer to your question may be there. Alternatively, you can contact ASG and we will endeavour to respond to your complaint as quickly as possible.

We are required to provide you with a response within 45 days of receipt of your complaint, however, we will endeavor to provide you with our response within 21 business days of receipt.

If you are not satisfied with our final response, you may lodge a complaint:

- with the Financial Ombudsman Service Australia if lodged before 1 November 2018:
Online: www.fos.org.au
Email: info@fos.org.au
Phone: 1800 367 287 (free call)
Mail: Financial Ombudsman Service Australia
GPO Box 3, Melbourne VIC 3001

MEMBER DIRECT DEBIT REQUEST SERVICE AGREEMENT

- with the Australian Financial Complaints Authority if lodged on or after 1 November 2018:
 - Online: www.afca.org.au
 - Email: info@afca.org.au
 - Phone: 1800 931 678 (free call)
 - Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Time limits may apply to complain to FOS or AFCA and so you should act promptly or otherwise consult the FOS and AFCA websites to find out if or when the time limit relevant to your circumstances expires.

For complaints concerning privacy matters, refer to the Office of the Australian Information Commissioner.

The Office of the Australian Information Commissioner

Complaints Handling Section
GPO Box 5218, Sydney NSW 2001
Telephone: 1300 363 992
Email: enquiries@oaic.gov.au
Website: www.oaic.gov.au

DIRECTORY

Registered name and incorporation:

Australian Scholarships Group Friendly Society Limited ABN 21 087 648 879, is incorporated as an unlisted public company under the Corporations Act 2001 and registered as a friendly society under the Life Insurance Act 1995. AFSL 236665

Registered office:

23–35 Hanover Street, Oakleigh VIC 3166
Telephone: 131 ASG (131 274)
Facsimile: 03 9563 2780
Website: www.asg.com.au

Auditor:

Deloitte Touche Tohmatsu
550 Bourke Street, Melbourne VIC 3000

Appointed actuary:

KPMG Actuarial Pty Ltd
International Towers 3 Sydney
300 Barangaroo Ave, Sydney NSW 2000

Independent tax consultant:

Tony C Jacob (Chartered Accountant)
14 Kilrush Street, Brighton VIC 3186

Our commitment to you

This section outlines our service commitment to you in respect of the direct debit request (DDR) arrangements made between Australian Scholarships Group Friendly Society Limited Debit User ID 002857 and you. It sets out your rights, our commitment to you, and your responsibilities to us together with where you should go for assistance.

Initial terms of the arrangement

In terms of the DDR arrangements made between us and signed by you, we undertake to periodically debit your nominated account with the agreed amount for payment of contributions as specified in the direct debit form within this document.

Drawing arrangements

- » The first drawing under this direct debit arrangement will occur on the first working day of the month. Subsequent drawings under this arrangement will occur on the first or 15th working day of the month, depending on the member's election.
- » If any drawing falls due on a non-business day, it will be debited to your account on the next business day following the scheduled drawing date. If you are unsure when a drawing date will take place, you may contact ASG on 131 ASG (131 274).
- » We will give you at least 14 days' notice (in writing) when other changes to the initial terms of the arrangement are made. The notice will state what the changes to the initial terms are.
- » Your contributions will automatically increase by the indexation amount you nominated at enrolment—or subsequently nominated during your membership—on the anniversary of your commencement date, unless you contact ASG to notify us that you wish to cease indexation occurring.
- » If you wish to discuss any changes to the initial terms, please contact ASG on 131 ASG (131 274).

YOUR RIGHTS

Changes to the arrangement

If you want to make the following changes to the drawing arrangements, contact us five days prior to the scheduled drawing date:

- » deferring the drawing; or
- » stopping an individual debit; or
- » suspending the DDR; or
- » cancelling the DDR completely.
- » altering the DDR.

You can request changes to contribution and indexation amounts by contacting ASG.

Enquiries

Direct all enquiries to ASG in the first instance, rather than to your financial institution, and these should be made at least five business days prior to the next scheduled drawing date. All communication addressed to us should include your membership number.

All personal member information held by us will be kept confidential except for information provided to our financial institution to initiate the drawing from your nominated account, or in connection with a claim made on it relating to an alleged incorrect or wrongful debit. (See the Privacy statement on page 18.)

If you wish to notify us in writing about anything to this agreement, you should write to us at:

Australian Scholarships Group
Post: 23–35 Hanover Street, Oakleigh VIC 3166
Email: customercare@asg.com.au

We may send notices either electronically to your email address or by ordinary post to the address you have given us. Any notice will be deemed to have been received on the third banking day after emailing or posting.

Disputes

- » If you believe that a drawing has been initiated incorrectly, we encourage you to take the matter up with us directly by contacting ASG on 131 ASG (131 274).
- » If our investigations show that your account has been incorrectly debited, we will arrange for the financial institution to adjust your account accordingly. We will also notify you in writing of the amount by which your account has been adjusted. If, following our investigations we believe on reasonable grounds that your account has been correctly debited, we will respond to your query by providing you with reasons and copies of any evidence for this finding.
- » If we cannot resolve the matter, you can still refer it to your financial institution, which will obtain details from you of the disputed payment and may lodge a claim on your behalf. Your financial institution should respond to you with an answer to your claim:
 - » within seven business days (for claims lodged within 12 months of the disputed drawing); or
 - » within 30 business days (for claims lodged more than 12 months after the disputed drawing).
- » You will receive a refund of the drawing amount if we cannot substantiate the reason for the drawing.

YOUR COMMITMENT TO US

It is your responsibility to ensure that:

- » your nominated account can accept direct debits as debiting through the Bulk Electronic Clearing System (BECS) is not available on all accounts (your financial institution can confirm this); and
- » on the drawing date there is sufficient cleared funds in the nominated account; and
- » you have checked your account details provided in the Direct Debit Request against a recent statement issued by your financial institution; and
- » you advise us if the nominated account is transferred or closed.

If your drawing is returned or dishonoured by your financial institution, you may be charged a fee/and or interest by your financial institution, and the cost incurred by ASG will be passed on to you, to be debited from your Member Account. If this occurs ASG will notify you that the drawing has been unsuccessful. If your contributions fall three months behind, your direct debit arrangement will be cancelled and the structured contributions will cease. You may contact ASG to re-establish your direct debit arrangement or alternatively you can set up a new arrangement.

If any provision of this direct debit request service agreement (DDRSA) is found to be illegal, void or unenforceable for unfairness or any other reason (for example, if a court or other tribunal or authority declares it so), the remaining provisions of this DDRSA will continue to apply to the extent possible as if the void or unenforceable provision had never existed.

DEFINITIONS

ASG's Scholarship Plan Benefit Criteria	ASG's criteria that is used as a basis for withdrawals being paid as a Scholarship Plan Benefit (see page 11).
Beneficiary	A beneficiary is the person nominated to receive benefits under the terms and conditions set out in this PDS and the rules of the Fund.
Benefit Payments	Benefit Payments mean Return of Contribution, Scholarship Plan Benefits and/or Insurance Bond payments which are paid from a member's Member Account.
Declared rate of return	The rate of your investment earnings that is declared (which may be positive or negative), calculated after taking into account Fund expenses, tax and any prudential requirements.
Contributions	Money received by ASG, either in a lump sum or by regular direct debit, paid into your Member Account.
Direct expenses of the Fund	Direct expenses of the Fund means all duties, taxes, out-of-pocket costs, charges, expenses and outgoings including: (i) all government duties, taxes, charges and fees incurred by the Fund; (ii) all fees, expenses and outgoings properly incurred or accrued in the management and maintenance of the assets of the Fund; (iii) costs of buying, selling, trading or transferring the assets of the Fund; and (iv) extraordinary legal costs incurred by ASG in connection with the discharge of its obligations under the rules of the Fund (v) all amounts payable by the Fund under the terms of its investment in one or more managed investment schemes.
Scholarship Plan Benefit	A payment made to you (or your nominated beneficiary) from your investment earnings component, to cover education related expenses that have satisfied ASG's Scholarship Plan Benefit criteria.
Enrolment	Enrolment is the date you join the Fund.
Insurance Bond Rules	Insurance Bond Rules only apply to Insurance Bond Benefit withdrawals made from your Member Account. They are special rules that determine how much tax you will pay upon receipt of an Insurance Bond Benefit. If your Member Account is held for more than 10 years from the date of initial contribution, without affecting the '10 year tax period' (see the '125 per cent rule' definition included within this table), you will not have to pay any further tax on your Insurance Bond Benefit withdrawal. If the withdrawal is received within the '10 year tax period', the amount received will be assessable for tax purposes, with a reduced one third being assessable if the withdrawal is made during the 10th year, a reduced two thirds being assessable during the 9th year, and being fully assessable if made within 8 years. Please note a 30 per cent tax offset (currently) will be automatically credited by the Australian Taxation Office, if you report an assessable Insurance Bond Benefit amount in your tax return. This tax offset is provided, to compensate for tax already paid by the Fund.
Investment earnings	The return on your investment within the Fund. This is determined by the declared rate of return which could be positive or negative.
Legal personal representative	The executor of the will or administrator of the estate of a deceased person.
Member Account	A separate account created for your benefit, where all contributions are deposited, declared rates of return are credited, all fees and costs are debited, and all withdrawals are paid from.
Insurance Bond Benefit	Insurance Bond Benefits are benefit payments made to members who receive benefit payments utilising the Insurance Bond Rules. Insurance Bond Benefits are generally paid tax free to the member. Please refer to Insurance Bond Rules for more information on page 10 of this PDS or within this definition table.
Politically Exposed Person	Under the AML/CTF Laws, a PEP is an individual who holds a prominent public position or function in a government body or an international organisation in Australia or overseas. The definition of PEP also extends to include immediate family members, such as a spouse, de facto partner, child, child's spouse or a parent. Additionally, persons who are close associates of a PEP, such as an individual who has joint beneficial ownership of a legal arrangement or entity are also considered to be a PEP.
Return of Contributions	Return of Contributions are benefit payments made out of your contributions, less applicable fees and costs.
The 125 per cent rule	To receive an Insurance Bond Benefit without having to pay any further tax, you need to have held your Member Account for more than 10 years from the date of your initial contribution, and ensuring the total amount of your subsequent plan year contributions do not exceed the prior year's total contributions by more than 125 per cent. If you exceed this limit, the start date of the '10 year tax period' will be reset. It is important to note it is your responsibility to monitor your contributions in respect of the 125 per cent rule. ASG will provide you information to help you manage your contributions via your Annual Member Statement and on our website. If you have any questions about the 125 per cent rule and your contributions, please contact ASG.
Withdrawals	Any request for a payment from your Member Account.



Australian Scholarships Group
 Friendly Society Limited
 ABN 21 087 648 879 AFSL No. 236665
 Registered Office:
 23-35 Hanover Street Oakleigh Vic 3166
 Ph: 131 ASG (131 274) Fax: 03 9563 2780

Application form

Structured Saver Funds (Rule 65)

Presentation date

/ /

New member (tick) Existing member (tick) Member number _____

	Title	Surname	Given names	D.O.B.	Gender
1					
2					

(First named member is the prime member, please refer to 'Membership' on page 17 for more information.)

Residential address (required)			
Suburb		Postcode	Phone (H)
1	Email address	Phone (W)	Mobile
2	Email address	Phone (W)	Mobile

Postal address (if different from residential address)		
Suburb	State	Postcode

1	Occupation	Relationship to beneficiary
2	Occupation	Relationship to beneficiary

Are you a Politically Exposed Person?¹ If YES please identify the source of your investment assets or wealth

Member 1 Yes No Gainful employment Inheritance/gift Financial investments Superannuation Other _____

Member 2 Yes No Gainful employment Inheritance/gift Financial investments Superannuation Other _____

¹See page 22 for definition of a 'Politically Exposed Person'.

AML/CTF ACT 2006 identification requirements

- ID checked in person
 Confirmed name details to application form

Member 1

Photo ID requirement

- Current Driver Licence Passport

No. _____

Place of issue _____

Verification requirement

(Tick information verified)

- Full name and choose one
 Date of birth
 Residential address

Member 2

Photo ID requirement

- Current Driver Licence Passport

No. _____

Place of issue _____

Verification requirement

(Tick information verified)

- Full name and choose one
 Date of birth
 Residential address



Beneficiary Nomination

Member Account 1 <input type="checkbox"/> Tertiary Saver Fund <input type="checkbox"/> Private Saver Fund <input type="checkbox"/> Extras Saver Fund	Surname	Given names	D.O.B.	Gender
	Phone:	Email:		
Member Account 2 <input type="checkbox"/> Tertiary Saver Fund <input type="checkbox"/> Private Saver Fund <input type="checkbox"/> Extras Saver Fund	Surname	Given names	D.O.B.	Gender
	Phone:	Email:		
Member Account 3 <input type="checkbox"/> Tertiary Saver Fund <input type="checkbox"/> Private Saver Fund <input type="checkbox"/> Extras Saver Fund	Surname	Given names	D.O.B.	Gender
	Phone:	Email:		

A new Member Account is created in each fund for each child with the member details contained in this form and the terms and conditions outlined in this PDS apply to each of those Member Accounts (A/c). If you would like a different member to be recorded for a specific child, you will need to complete a separate application form attached to the PDS.

Regular contributions

Payment options

- Credit card*
 Direct debit

*If debiting from credit card ASG will charge you 0.66% per transaction amount to cover the cost of the merchant fee payable in offering this service.

Note: regular contributions will commence on the 1st of the month following the date of this application unless specified below.

Alternate date to be debited

 / /

Contribution frequency

- Bi-Monthly Bi-Annually
 Monthly Annually
 Quarterly

Contribution amounts

	Bi-monthly	Monthly	Quarterly	Bi-annually	Annually
Tertiary Saver Fund	\$125	\$250	\$750	\$1,500	\$3,000
Private Saver Fund	\$375	\$750	\$2,250	\$4,500	\$9,000
Extras Saver Fund	\$50	\$100	\$300	\$600	\$1,200

Indexation

Contributions increase at five per cent per annum and compound on each anniversary of the commencement date. This indexation helps offset the rising costs of education over the period of your contributions

I/We declare that all information supplied in this application form is true and correct. I/We agree that this application and the terms and conditions set out in this PDS and the Benefit Fund Rule for the Structured Saver Funds shall be the basis of the contract for my/our membership in the Fund, which shall at all times be subject to the ASG Constitution. I/We have received and sighted the PDS and any Supplementary PDS for Structured Saver Funds either directly from an ASG Education Planning Consultant or via electronic means.

I/We note that the information I/we have provided will be used in accordance with the Privacy Statement on pages 18 and 19 of this PDS and the privacy policy of ASG.

I/We note and agree that this includes the use of my/our information for direct marketing, promotional and research purposes.

If you do not wish to receive direct marketing content, please contact ASG on 131 274.

I/We understand that ASG may provide me with regulatory documents such as Product Disclosure Statements, benefit statements and Significant Event/Material Change Notifications by making them available digitally (eg. as a hyperlink in an email or text message). I acknowledge that ASG will use the email or mobile number provided in this application form and that I can opt out of this method of disclosure at any time by contacting ASG on 131 274.

We confirm that any joint Member Account arising from this application is to be operated on the following basis:

- Both/all members must sign for and authorise all transactions which are conducted by means other than My ASG (e.g. transactions received by telephone or in writing).
- Both/all members authorise any/either of the joint members to sign for and authorise any transactions via My ASG (with the exception of changing the Account name or its joint membership status). We confirm that responsibility for the consequences of this operating instruction will remain with both/all the joint members.
- Both/all members may withdraw their authorisation (in whole or in part) that a joint account be able to be transacted via My ASG. This is to be done by written notice signed by both/all members.

We acknowledge that in the absence of all members effecting a transaction via My ASG, ASG is to conduct the Account in accordance with its Rules and/or normal business practices (i.e. both or all members must sign for and authorise transactions in a joint membership). ASG reserves the right, upon notice being provided to the member(s), to override any member instructions and conduct a joint Account in accordance with its Rules and/or normal business practices (e.g. when it is notified of a dispute between the members) including withholding member payments pending written instructions from all/both members.

Applicant 1 signature _____ Date ____/____/____

Applicant 2 signature _____ Date ____/____/____

Important: This application is tendered in accordance with, and is subject to, the terms and conditions set out in this PDS, which should be considered by applicants prior to signing this application form. Application for benefits may only proceed on the application form attached to the PDS for the Structured Saver Funds dated 19/10/2018. If I/we have obtained and/or completed a copy of the application form via electronic means it has been accompanied by the PDS.

Education Planning Consultant's details
Name _____
Number _____
Opp ID _____

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Australian Scholarships Group
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