



# Lifelong Education Fund

## Product Disclosure Statement

Date: 4 August 2017





### Important information

This Product Disclosure Statement (**PDS**) is a summary of the features, benefits, risks and costs of ASG's Lifelong Education Fund (referred to as **Lifelong** or '**the Fund**' in this PDS). Lifelong is both issued and managed by the Australian Scholarships Group Friendly Society Limited ABN 21 087 648 879 AFSL No. 236665 (**ASG**). Lifelong is issued by ASG under Rule 65: Pathway Education Fund of its Constitution.

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 in Australia. No applications will be accepted on the basis of this document once it has been replaced or superseded with an updated PDS.

This PDS is available in electronic format on our website. A printed copy is also available free of charge. You can request a paper copy of the PDS or you may download a copy from our website at [www.asg.com.au/pds](http://www.asg.com.au/pds).

### Current information

Information in this PDS (and any Supplementary Product Disclosure Statement) that is not material may change from time to time and may be updated. 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/pds](http://www.asg.com.au/pds). We will inform you of any material changes or significant events that could affect the information in this document.

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## The value of lifelong education in a changing world

Education positively shapes lives, it opens doors and provides opportunities to pursue your passions and meet your personal and professional goals.

Today more than ever, education has become valued as a constant and lifelong process. Where once it was predominantly seen as important in the early stages of life, it is apparent that continuous learning and education is necessary for those who want to stay relevant, change direction or pursue new interests. Along with the personal satisfaction you gain from learning new things, ongoing education helps you prepare for what happens next.

With the employment landscape rapidly changing, the jobs we have today may not exist tomorrow. Investing in learning as a lifelong experience gives you the ability to adapt to emerging trends, build on your skills to stand out from the crowd, increase your earning potential and provide you with greater lifestyle choices.

## The cost of returning to study

The opportunity to retrain, upskill or forge a new career brings an exciting challenge and the chance to gain greater personal and professional satisfaction. It may also require formal study, which can involve a significant financial investment in the medium to long term.

Without careful planning, returning to study can be overwhelming, particularly when faced with the challenge of finding the necessary time and money. Perhaps you will need to reduce your working hours to give you the study time you need? On top of course fees, you will need to consider the cost of books, materials and perhaps travel costs, as well as maintaining your existing household and living expenses.

If you haven't prepared for these costs ahead of time, you could be placing considerable pressure on your household budget, or risk increasing your personal debt as you invest in your own career.

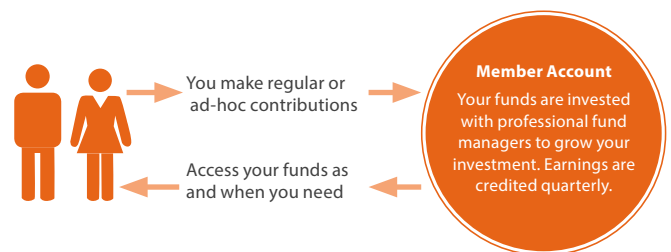
## Start planning with ASG's Lifelong Education Fund

ASG's Lifelong Education Fund (Lifelong) is specifically designed to support you in planning for the cost of your ongoing learning and development, beyond post secondary studies.

The flexibility of Lifelong allows you to determine how much you contribute, how often you contribute, and when you receive your benefit payments.

You can also choose whether to use your benefit payments to support your return to study on a full-time or part-time basis, to help pay for course fees, equipment, or text books, or to help offset your living expenses while you study.

It is tax effective too—ASG's Lifelong Education Fund qualifies as a scholarship plan under Australian taxation law, which means your funds can achieve favourable tax treatment provided they are used for education purposes.



Lifelong is issued by ASG under Rule 65: Pathway Education Fund, a registered benefit fund of its Constitution, and operates with the sole purpose of providing benefits for the lifelong education of nominated individuals (known as 'you' as the prime member, throughout this PDS). Please see 'Membership' on page 14 for further information regarding the prime member.

## About ASG

ASG is a member owned organisation with more than 90,000 members and \$1.58 billion in funds under management. It is the largest provider of education scholarship plans in Australia and New Zealand.

At ASG, we believe that everyone should have access to a complete education and the opportunity to explore and nurture their interests and talents.

We have more than 40 years of experience in supporting education. Since 1974, we have supported the education journey of more than 530,000 children, and have returned more than \$2.5 billion in education benefits and scholarship payments to our members and their children.

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?

ASG offers a range of tax effective financial products and educational resources to members, making ASG a holistic education services provider.

In addition to the Lifelong Education Fund, ASG's financial products include the following education funds:

- » Pathway Education Fund (PEF) assists families with saving for the cost of education at all learning stages, offering flexibility around contributions and access to funds.
- » The Education Fund (TEF) assists with basic secondary school and post-secondary education costs.
- » The Supplementary Education Program (SEP) assists those who have specific education goals in mind, such as private schooling, or those who want to plan comprehensively for their child's future education.

Currently in New Zealand, the Supplementary Education Program (New Zealand) and The Education Fund (New Zealand) are available.

All our funds are managed by professional investment managers to achieve a conservative balanced risk profile. Our diverse investment strategy balances defensive assets, such as fixed interest securities and cash, together with growth assets such as equities and property.

All of our funds are designed to qualify as scholarship plans under Australian taxation law. This is a unique advantage and means that your investment can achieve favourable tax treatment provided it is used for education purposes (see 'What are the tax benefits?' on page 9).



# Lifelong at a glance

## Investing in your future

Lifelong provides a proactive approach to planning for the cost of your ongoing learning and development. The following table is a summary of key features of Lifelong.

| Feature                                      | Description  | For further information   |
|--|--|---|
| Range of lifelong education expenses covered | Assists with a wide range of education costs across university, TAFE, vocational courses and apprenticeships. Covers full-time and part-time study anywhere in the world.                        | See 'ASG's Education Benefit criteria' on page 8 and 'How are my withdrawals affected by tax?' on page 9. |
| Flexible contributions                       | A flexible contribution structure allows you to make payments as and when you can.   | See 'How do I make contributions?' on page 6.   |
| Minimum contributions                        | a. starting from \$50 per month as a regular contribution<br>b. as a lump sum starting from \$500 at enrolment, with each subsequent contribution starting from \$100 or more.                   | See 'How do I make contributions?' on page 6.   |
| Tax benefit                                  | Designed to qualify as a scholarship plan under Australian taxation law, which means ASG can claim a tax deduction on the Education Benefits it pays, thereby increasing the amount paid to you. | See 'What are the tax benefits?' on page 9 and 'How are my withdrawals affected by tax?' on page 9.       |
| 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.   |

## Who is Lifelong suitable for?

Anyone can become a member of ASG's Lifelong Education Fund. Members must be aged 16 years or over.

As a member of Lifelong (or in the case of joint membership, the prime member) you will become the nominated beneficiary by default, and as such will be the recipient of Education Benefits paid from the Member Account. You may change the nominated beneficiary to someone else or leave the beneficiary un-nominated when you first enrol, as long as you notify ASG in writing who the nominated beneficiary will be, prior to being eligible to receive any Education Benefits. This PDS will refer to you as both the prime member and the nominated beneficiary.



## How do I make 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. A minimum of \$100 is required as an initial contribution to establish your Member Account.

Lifelong offers flexibility to maximise your saving ability in a way that best suits you.

You can contribute to your Member Account in four ways, as shown in the table below.

| Ways to contribute                              | How much and when  | Method of contribution   |
|---|--|--|
| Regular contributions                           | <ul style="list-style-type: none"> <li>» Start from as little as \$50 per month.</li> <li>» Pay bi-monthly, monthly, quarterly, bi-annually or annually.</li> </ul>      | Payments can be made by direct debit or credit card*.  |
| Ad-hoc contributions                            | <ul style="list-style-type: none"> <li>» You can enrol with a lump sum of \$500 or more.</li> <li>» You can make subsequent ad-hoc payments of \$100 or more.</li> </ul> | Payments can be made by BPAY (except at initial enrolment), credit card*, direct debit or money order.   |
| Combination of regular and ad-hoc contributions | You can make ad-hoc contributions in addition to your regular contributions, as described above.   | <p>Regular contributions can be made by direct debit or credit card*.</p> <p>Ad-hoc contributions can be made by BPAY (except at initial enrolment), credit card*, direct debit, or money order.</p> |
| Employer contributions                          | Your employer may arrange to make either regular or ad-hoc contributions subject to the above minimums into your Member Account on your behalf.                          | Your employer can arrange for payments to be made directly to ASG.   |

*Contributions are not subject to GST  
\*Credit card fees apply*

## What is the maximum amount of contributions I can make?

You can make contributions up to \$600,000 in total. 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, we will return the excess 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 12 for further details).

## How do I help offset the rising costs of lifelong education?

The cost of lifelong education—like the general cost of living—continues to rise each year.

To help offset the rising costs of lifelong education, you can automatically increase (index) your regular contributions each year by up to 25 per cent of the previous year's contributions. You can specify the indexation percentage (from zero to 25 per cent) at enrolment and change it at any time to suit your needs. Indexation will apply from the next anniversary of the date you made your first contribution.

By not specifying an indexation rate there is an increased risk that the rate of increase in the cost of education may exceed investment returns. As such ASG will apply a default indexation rate of 5 per cent.

You can also vary the amount, frequency and indexation rate of your regular contributions at any time.



## How are my contributions invested?

Lifelong's investment strategy is to provide market related returns using a range of investment funds managed by professional fund 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, together with growth assets such as equities and property.

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                          | 22                            |
| International Shares          | 0                           | 40                          | 18                            |
| Property & Infrastructure     | 0                           | 20                          | 0                             |
| <b>Total Growth Assets</b>    |                             |                             | <b>40</b>                     |
| Mortgage Securities           | 0                           | 10                          | 0                             |
| Australian Fixed Interest     | 0                           | 70                          | 25                            |
| International Fixed Interest  | 0                           | 70                          | 20                            |
| Cash and Deposits at Call     | 0                           | 100                         | 15                            |
| <b>Total Defensive Assets</b> |                             |                             | <b>60</b>                     |
| <b>TOTAL ASSETS</b>           |                             |                             | <b>100</b>                    |

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 14). A copy of this document will be provided on your request free of charge.

## Ethical investment considerations

ASG appoints external, professional investment managers and provides them with broad investment guidelines. ASG is not in a position to directly influence these investment managers in the choice of their investments. ASG has a duty to behave responsibly, and will therefore not knowingly invest with investment managers who do not consider labour standards, environmental, social and ethical characteristics in their investments.

## What returns do I get?

The net investment returns of the Fund are paid by way of a bonus 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. Bonus rates are 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.

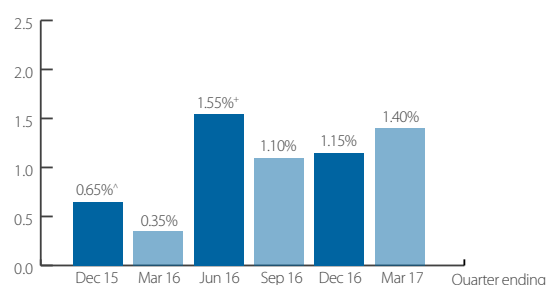
The bonus rate is normally declared within 30 days from the end of each respective quarter. Once declared it will appear as a transaction in your Member Account with the date of the last day of the applicable quarter.

You can monitor your investment returns online by visiting [www.asg.com.au](http://www.asg.com.au) and logging into your My ASG member account. You will also 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.

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 Education Benefit and Non-education Benefit paid and the balance in your Member Account generally.

Lifelong does not and cannot, under the rules of the Fund, maintain a surplus. This means all investment earnings (positive or negative) are allocated to individual Member Accounts each quarter.

### Bonus rates\*



\*Bonus rates in this table are declared for the Pathway Education Fund. Lifelong operates under the Pathway Education Fund, therefore any bonus rates declared for the Pathway Education Fund would apply to any Lifelong member for any period in which they were a member.

^ The first bonus rate declared since inception was for a period of approximately five months instead of a standard 3 month quarter

† From 4 August 2015 to 30 June 2016 the declared bonus rates equate to an annualised bonus rate of 2.55%



## What is an Education Benefit?



An Education Benefit is an education related payment made from your investment earnings to you as the nominated beneficiary.

You can claim education expenses where they relate to or have been incurred for an education or training program that meets ASG's Education Benefit criteria (see below).

## What is a Non-education Benefit?



If your claim for the withdrawal of funds from your Member Account does not satisfy ASG's Education Benefit criteria it will be treated as a Non-education Benefit. See page 9 for more information.

# ASG's Education Benefit criteria

You can withdraw funds as an Education Benefit to help pay for course fees and a broad range of lifelong education related expenses. The request for withdrawal must meet ASG's Education 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 Education Benefit criteria

### Course fees

Any course fee charged by the following institutions can be claimed as an Education Benefit:

- » University (Australia or overseas)
- » TAFE college
- » Registered Training Organisations
- » Professional bodies (CPA, CFA® etc.)

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 Education 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
- » living away from home expenses (rent, utilities)
- » tools of the trade (calculators, measuring devices, hammers, personal safety equipment).

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

# When can I make a withdrawal?

ASG recognises that lifelong education costs arise at various times. To help with this, you can make requests for withdrawals four times during the calendar year. The minimum amount you can withdraw is \$500. For more information on how to withdraw and the withdrawal periods, see the 'Withdrawal form' available for download by visiting [www.asg.com.au](http://www.asg.com.au) and logging into your My ASG member account.

ASG will take all reasonable steps to ensure that the payment is made by the date specified on the Withdrawal form. However, where the payment cannot be made on the specified day, it will be paid as soon as practicable after this date.

If you require your withdrawal sooner than the next scheduled withdrawal period, you may request an unscheduled withdrawal. An unscheduled withdrawal will attract a fee of \$25 and it will be processed generally within 10 business days.

## What are the tax benefits?

Lifelong has been established with the sole purpose of providing benefits for the lifelong education of nominated beneficiaries (this will be you as the prime member unless you nominate somebody else). It qualifies as a scholarship plan under the Income Tax Assessment Act 1997 and is a 'tax-paid' investment. This means that the Fund pays tax on the investment earnings of your contributions, at the current company 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.

The main tax benefits are as follows:

- » You are not required to report and pay tax at an individual level on annual Fund investment earnings. This tax feature may attract flow-on benefits by not increasing your own taxable income.
- » You can access your net contributions (your contributions less applicable fees and costs) at any time, without having to pay any personal tax.
- » If you use any earnings for education related expenses, the amount paid will be increased by a tax benefit. This is because ASG can claim a tax deduction for Education Benefits paid, and it passes this benefit on to you.
- » If you withdraw earnings for non-education purposes and you have held your account for more than 10 years since the first contribution, generally there is no tax payable. The Insurance Bond Rules apply in this situation.
- » You may not have to pay any personal tax on an amount of investment earnings received, provided you report taxable income less than the effective tax free threshold.\*

*\*See the Australian Taxation Office (ATO) website for more information on individual income tax rates: [www.ato.gov.au](http://www.ato.gov.au). Currently, the standard effective tax-free threshold on the taxable income of a resident Australian is \$20,542. If you elect somebody else as a nominated beneficiary, any Education Benefits they receive will be included in their taxable income. If you elect a minor as a nominated beneficiary different rates of tax apply. Please see the Australian Taxation Office website for further information.*

### What are the Insurance Bond Rules?



Insurance Bond Rules are special tax rules that apply to insurance bonds (including certain education savings plans such as Lifelong), when benefits other than Education Benefits are paid. They are therefore applicable to earnings you withdraw that do not qualify as Education Benefits.

For more information please see the fact sheet 'Tax and the Lifelong Education Fund' available at [www.asg.com.au/pds](http://www.asg.com.au/pds).

### 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:

- » in the event of your death, accident, serious illness or other disability, or
- » unforeseen serious financial difficulties affecting you.

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 taxes will I pay?

Lifelong is a 'tax paid' investment (see 'What are the tax benefits?' opposite). As a result, bonus rates allocated from investment earnings to your Member Account are not required to be included in your assessable income and you therefore do not attract any personal tax on those earnings.

Any tax you pay will relate to making a withdrawal from your Member Account. The tax you will pay depends on several factors. These include:

- » whether you want to withdraw from the contributions, earnings or both components of your Member Account
- » whether your withdrawal is to cover a cost related to further study (Education Benefit\*) or a non-education related cost (Non-education Benefit\*)

The following table 'Tax on withdrawals' summarises any tax you will pay on withdrawals.

*\*See ASG's Education Benefit criteria to determine whether your withdrawal is an education or non-education related expense. See page 8 for more information.*

### Tax on withdrawals

| Withdrawal type             | Tax status of amount received   |
|-----------------------------|---|
| Return of net contributions | Tax-free  |
| Education Benefit           | Taxed at adult marginal rates <sup>^</sup>  |
| Non-education Benefit       | The Insurance Bond Rules apply<br><br>After 10 years from initial contribution:<br><br>Generally tax-free, subject to the 125 per cent rule (please refer to the definitions table on page 19)<br><br>Within 10 years of initial contribution:<br><br>Generally assessable at marginal tax rates, <sup>^</sup> however you will receive a 30 per cent tax offset in respect to tax paid by the Fund |

<sup>^</sup> Please refer to the last point under 'What are the tax benefits' opposite this table for more information.

For more information on how withdrawals are affected by tax please refer to our fact sheet, 'Tax and the Lifelong Education Fund', available at [www.asg.com.au/pds](http://www.asg.com.au/pds).

## 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 Fund 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  | Amount   | How and when paid   |
|--|--|---|
| <b>Fees when your money moves in or out of Lifelong</b>  |  |   |
| <b>Joining fee</b><br>The fee to join ASG as a member  | \$89.00 for new members<br>Nil for existing ASG members  | A separate one off fee per membership, payable upon joining.  |
| <b>Contribution fee</b><br>The fee on each amount contributed to your Member Account   | Nil  | N/A   |
| <b>Withdrawal fee</b><br>The fee on each amount you take out of your Member Account  | Nil if withdrawals are made within the four scheduled withdrawal periods, or \$25 for withdrawals made outside the scheduled withdrawal periods.   | Deducted from your Member Account at the time of withdrawal.  |
| <b>Termination fee</b><br>The fee to close your Member Account   | Nil  | N/A   |
| <b>Management costs</b>  |  |   |
| <b>Administration fee</b><br>The fee for administering your membership of Lifelong   | \$60* p.a.   | If applicable, deducted from your Member Account on a quarterly basis.  |
| <b>Management costs</b><br>The fees and costs for managing the Fund  | 1.30% p.a.   | 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 bonus rate being determined and applied to the Fund (see 'What returns do I get?' on page 7 for further information on bonus rates). |
| <b>Indirect investment management costs</b><br>The fees and costs charged by underlying investment managers used 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% p.a. | Calculated and charged in accordance with the rules of the underlying investment products used by ASG. Fees are deducted from the investment earnings paid by the underlying investment managers.   |

\* 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 bonuses 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.

## Additional explanation of fees and costs

In addition to the fees and costs outlined in the fees table, the rules for the Fund permit ASG to be repaid from the Fund for the following expenses:

ASG has determined that the Direct expenses, excluding the Indirect investment management costs, will be met from the Management costs, rather than repaid from the Fund (as permitted under the rules of the Fund). These costs will not be an additional cost to you.

## Dishonour fees

Where a contribution paid by a member via cheque or direct debit is dishonoured, ASG retains the right to recover 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 Fund, we will advise you with no less than two months' notice in writing of the changes.

The Fund 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 10.
- (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 Fund.



## Frequently asked questions

### How can I offset the rising cost of lifelong education?

The rate of increase in lifelong education costs and expenses may exceed the investment earnings of the Fund. You can manage this risk by indexing your regular contributions (see 'How do I help offset the rising costs of lifelong education?' on page 6 for further information).

### What if my plans change?

If your plans change and you no longer require the funds in your Member Account for study purposes, you may cancel your Member Account or leave it open. If you leave your Member Account open you may continue to contribute and make withdrawals for Non-education Benefits (see page 8 for further details).

### 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 (less fees and costs) 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.

You will receive your investment earnings in two instalments. First you will receive your investment earnings already credited to your account, together with your net contributions. This will generally be payable within 14 business days from the request being received and processed by ASG.

The second instalment will be for the bonus rate in respect to the quarter in which you made your withdrawal. This bonus rate is proportioned according to the number of days your Member Account was open during the quarter.

The second instalment is paid once the bonus rate for the quarter has been declared. Any investment earnings returned to you will be treated as a Non-education Benefit for tax purposes (see page 8).

### What happens if I miss a withdrawal period?

There are four withdrawal periods during the year. If you miss one you can wait until the next scheduled withdrawal period. Alternatively, you may contact ASG to request an unscheduled withdrawal. If approved by ASG, this withdrawal will attract a withdrawal fee of \$25 and will generally be processed within 10 business days.

### What happens when I finish my studies?

If you no longer require Lifelong for study purposes 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 net contributions tax free and any investment earnings will be returned to you as a Non-education Benefit for tax purposes (see page 8 for further details).

Alternatively, you may wish to nominate another beneficiary (such as a spouse) or leave your Member Account open. If you leave your Member Account open you may continue to contribute and make withdrawals for Non-education Benefits (see page 8 for further details).

## Can I alter my contributions?

You can change the amount, frequency and indexation rate of your contributions at any time, as well as your payment method. You must notify ASG of any changes to your contribution arrangements. If you need to suspend your regular contributions, you can do so for an indefinite period by notifying us in writing. You can begin re-contributing any time.

However, you may wish to consider any implications under the 125 per cent rule before making a decision on suspending contributions. See the tax fact sheet 'Tax and the Lifelong Education Fund' available at [www.asg.com.au/pds](http://www.asg.com.au/pds).

## Do I need to maintain a minimum account balance?

You must maintain a minimum account balance of \$2000.

If the minimum balance is not achieved after the first two years of your membership of 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 a Non-education Benefit for tax purposes (see page 8 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 (in the case of joint membership)
- » the nominated beneficiary (you as the first named member and nominated beneficiary) dies

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 Non-education Benefit, subject to Insurance Bond Rules for tax purposes.

## Are my investment returns guaranteed?

When considering enrolling in Lifelong, 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, you are not required to provide a tax file number.

## What happens if the taxation rules applicable to ASG change?

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

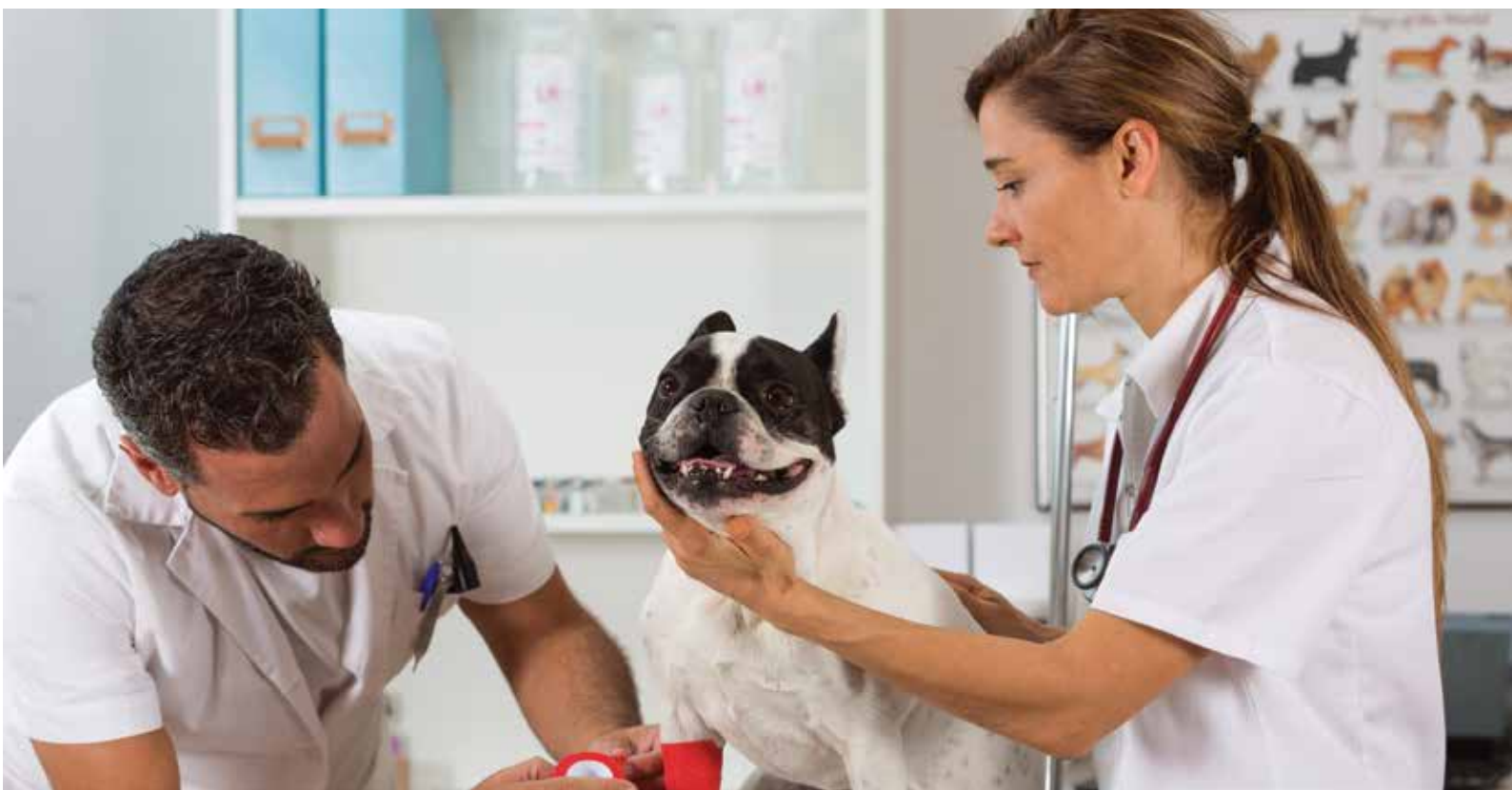
## Can I use my Member Account as security to borrow or raise money?

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 Lifelong and is also prohibited under Rule 65: Pathway Education Fund of ASG's Constitution, which governs how Lifelong is operated.

## What happens if I die or become mentally incapacitated?

In the event of your mental incapacity your Member Account will be administered by your power of attorney or court appointed representative. In the event of your death (or in the case of joint membership, the deaths of both members) your Member Account will transfer to your estate and your executor or administrator will become responsible for administering your Member Account.

In the event of your death (as the prime member) in the case of joint membership, the last surviving member will become the prime member and will become responsible for administering your Member Account.



## 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 this Fund include the following types of investment risks shown in the below table.

| Risk type  | Explanation  |
|--|--|
| <b>Market risk</b>                               | <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>   |
| <b>Credit risk</b>                               | <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> |
| <b>Liquidity risk</b>                            | <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>   |
| <b>Currency risk</b>                             | <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>  |
| <b>Manager risk</b>                              | <p>The 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 fund managers which are subject to an approval process and ongoing performance monitoring.</p>  |
| <b>Legal and regulatory (including tax) risk</b> | <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 Fund are separate from the operational funds and other benefit funds of ASG, and are regulated by the Australian Prudential Regulation Authority (APRA).

## 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 Fund 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 Fund 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, any ASG Information Centre, or our website at [www.asg.com.au/annual-report](http://www.asg.com.au/annual-report)

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 bonus rate and value at the close of the financial year.

## Tax statements

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

## Communication

ASG will provide you with a copy of *ASG's Scholastic*, the member quarterly 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 Fund 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 Fund activities. 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: [memberservices@asg.com.au](mailto:memberservices@asg.com.au)

Web: [www.asg.com.au](http://www.asg.com.au)

Business hours: 9 am – 5 pm (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/privacy-policy](http://www.asg.com.au/privacy-policy). 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 as required by law and thereby enable us to commence and manage your membership.

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

If you, or your 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 we may collect, use or disclose further or additional information about you or an 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.

We will also use this information to:

- » market, promote and inform, you or an authorised representative about other ASG products, services or offerings
- » create statistical information for internal use
- » send you Annual Member Statements, quarterly newsletters and other membership or fund material
- » communicate with you or an 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/privacy-policy](http://www.asg.com.au/privacy-policy)

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](mailto:privacy@asg.com.au)

## Anti-Money Laundering and Counter Terrorism Financing Laws

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 authorised representatives 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 an inability 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 ASG's final response, you also have the right to take your complaint to the external complaints resolution body, the Financial Ombudsman Service (FOS). For complaints concerning privacy matters, refer to the Office of the Australian Information Commissioner.

Contact details for FOS and the Office of the Australian Information Commissioner are as follows:

**Financial Ombudsman Service**  
GPO Box 3, Melbourne, Victoria, 3001  
Telephone: 1800 367 287  
Facsimile: 03 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)  
Website: [www.fos.org.au](http://www.fos.org.au)

### The Office of the Australian Information Commissioner

Complaints Handling Section  
GPO Box 5218, Sydney NSW 2001  
Telephone: 1300 363 992  
Website: [www.oaic.gov.au](http://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

# Member direct debit service agreement

## Our commitment to you

This document 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; or
- » altering the DDR.

You can request changes to contribution and indexation amounts by logging into *My ASG* or 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 15.)

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

Australian Scholarships Group  
Post: 23–35 Hanover Street, Oakleigh VIC 3166  
Email: memberservices@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.

*Note: Your financial institution will ask you to contact us to resolve your disputed drawing prior to involving them.*

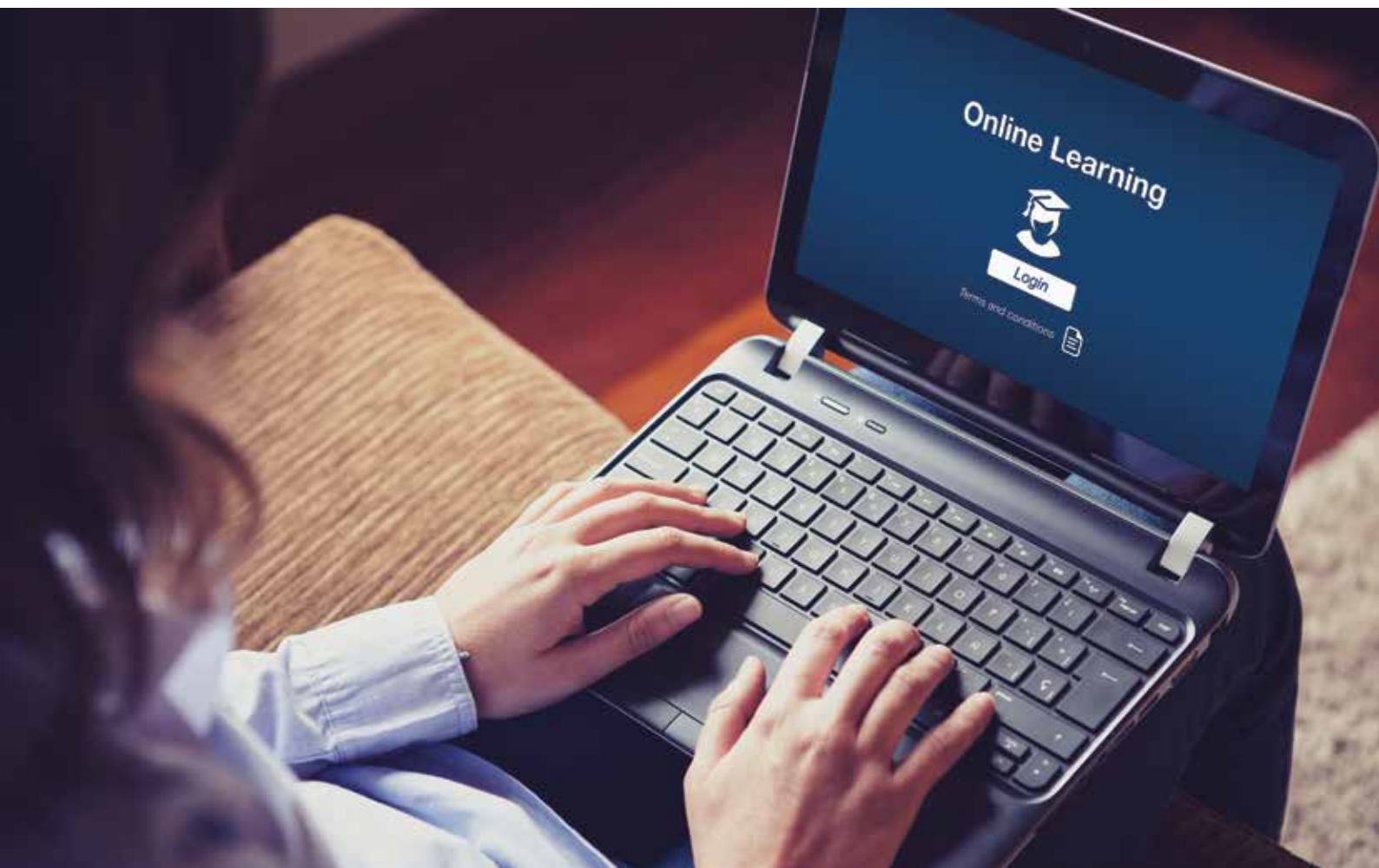
## Your commitment to us

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 send you a letter advising that the drawing has been unsuccessful. If your drawing is returned or dishonoured once, your next period's contributions will collect any arrears for the dishonoured contribution, along with your regular contribution. If the second attempt to direct debit your account also dishonours, your direct debit arrangement will be cancelled. 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

|   |  |
|---|--|
| <b>ASG's Education Benefit criteria</b> | ASG's criteria that is used as a basis for withdrawals being paid as Education Benefits (see page 8).  |
| <b>Beneficiary</b>                      | Upon becoming a member of Lifelong, you will be listed as the beneficiary unless you choose to nominate somebody else. A beneficiary is the person deemed to receive benefits under the terms and conditions set out in this PDS and the rules of the Fund.  |
| <b>Bonus rate</b>                       | The rate of your investment earnings that is declared for any given year, calculated after taking into account Fund expenses, tax and any prudential requirements.   |
| <b>Contributions</b>                    | Money received by ASG, either in a lump sum or by regular direct debit, paid into your Member Account  |
| <b>Direct expenses of Lifelong</b>      | Direct expenses of Lifelong mean all duties, taxes, out-of-pocket costs, charges, expenses and outgoings including: <ul style="list-style-type: none"> <li>(i) all government duties, taxes, charges and fees incurred by the Fund;</li> <li>(ii) all fees, expenses and outgoings properly incurred or accrued in the management and maintenance of the assets of the Fund;</li> <li>(iii) costs of buying, selling, trading or transferring the assets of Lifelong;</li> <li>(iv) extraordinary legal costs incurred by ASG in connection with the discharge of its obligations under the rules of Lifelong; and</li> <li>(v) all amounts payable by the Fund under the terms of its investment in one or more managed investment schemes.</li> </ul>  |
| <b>Education Benefit</b>                | A payment made from your investment earnings component, to cover education related expenses that have satisfied ASG's Education Benefit criteria. This payment will be made to the nominated beneficiary—whether this is you or somebody else you have nominated.  |
| <b>Enrolment</b>                        | Enrolment is the date you join the Fund.   |
| <b>Insurance Bond Rules</b>             | <p>Insurance Bond Rules only apply to Non-education Benefit withdrawals made from Lifelong. They are special rules that determine how much tax you will pay upon receipt of a Non-education Benefit. If your Lifelong Member Account is held for at least 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 Non-education Benefit withdrawal.</p> <p>If the withdrawal is received prior to 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 will be automatically credited by the Australian Taxation Office, if you report an assessable Non-education Benefit amount in your tax return. This tax offset is provided, to compensate for tax already paid by the Fund.</p> |
| <b>Investment earnings</b>              | The return on your investment within the Fund. This is determined by the bonus rate.   |
| <b>Legal personal representative</b>    | The executor of the will or administrator of the estate of a deceased person.  |
| <b>Member Account</b>                   | A separate account created for your benefit, where all contributions are deposited, bonus rates are credited, all fees and costs are debited, and all withdrawals are paid from.   |
| <b>Politically Exposed Person</b>       | <p>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.</p> <p>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.</p>  |
| <b>The 125 per cent rule</b>            | To receive a Non-education Benefit without having to pay any further tax, you need to have held Lifelong for at least 10 years from the date of your initial contribution, and ensuring the total amount of your subsequent 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.  |
| <b>Withdrawals</b>                      | 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

## Lifelong Education Fund (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 14 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 |

Are you a Politically Exposed Person?†    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 \_\_\_\_\_

†See page 19 for definition of a 'Politically Exposed Person'.

|   |   |
|---|---|
| <b>AML/CTF ACT 2006 identification requirements</b>   |   |
| <input type="checkbox"/> ID checked in person<br><input type="checkbox"/> Confirmed name details to application form  |   |
| <b>Member 1</b><br><b>Photo ID requirement</b><br><input type="checkbox"/> Current Driver Licence <input type="checkbox"/> Passport<br>No. _____<br>Place of issue _____                                      | <b>Member 2</b><br><b>Photo ID requirement</b><br><input type="checkbox"/> Current Driver Licence <input type="checkbox"/> Passport<br>No. _____<br>Place of issue _____                                      |
| <b>Verification requirement</b><br>(Tick information verified)<br><input type="checkbox"/> Full name and choose one<br><input type="checkbox"/> Date of birth<br><input type="checkbox"/> Residential address | <b>Verification requirement</b><br>(Tick information verified)<br><input type="checkbox"/> Full name and choose one<br><input type="checkbox"/> Date of birth<br><input type="checkbox"/> Residential address |

|   |                      |                      |                      |
|---|----------------------|----------------------|----------------------|
| <b>Beneficiary nomination</b>   |                      |                      |                      |
| By default you (as the prime member) will be listed as the nominated beneficiary. However you may elect to nominate somebody else if you wish. If you elect somebody else please complete the following beneficiary nomination (including if you elect to leave your beneficiary un-nominated). |                      |                      |                      |
| Surname   | Given names          | D.O.B.               | Gender               |
| <input type="text"/>  | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Phone   | Email                |                      |                      |
| <input type="text"/>  | <input type="text"/> |                      |                      |

## Initial contribution

Date of initial payment

 /  / 

Lifelong Education Fund

| Lump sum payment | First regular contribution | Sub total                        |
|------------------|----------------------------|----------------------------------|
| \$               | \$                         | \$                               |
|                  |                            | Joining fee \$                   |
|                  |                            | TOTAL* (Exc credit card fees) \$ |

\*A minimum of \$100 is required as an initial contribution to establish your Member Account.

## Payment options

- Use existing direct debit details on file
- Credit card\*
- Cheque
- Once only direct debit (use direct debit request form)

## Credit card number

(Please circle)

MasterCard

Visa

|                      |                      |                      |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|

Name of cardholder \_\_\_\_\_ Expiry date \_\_\_\_/\_\_\_\_

Signature of cardholder \_\_\_\_\_

## Regular contributions

Total monthly contribution amount  \$50  \$75  \$100  other \$ \_\_\_\_\_

### Payment options

- Credit card\*
- Direct debit
- Existing direct debit (Account holder/s' initials)

Contribution amount (complete one amount only)

| Bi-monthly<br>(1 <sup>st</sup> and 15 <sup>th</sup> ) | Monthly | Quarterly | Bi-annually | Annually | Indexation amount<br>(from 0-25%) |
|---|---------|-----------|-------------|----------|-----------------------------------|
|   |         |           |             |          | 5%                                |

Note: regular direct debits will commence on the 1st of the month following the initial contribution unless specified below.

Alternate date to be debited

 01 /  / 

## Indexation

To assist with the rising cost of education, you can increase (index) your contributions each year up to 25 per cent. To do this, indicate in the column above the amount you want your contributions indexed by. You can change the indexation amount or cancel it altogether at any time, by logging into My ASG. A default indexation rate of 5% will apply unless otherwise advised.

\*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.

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 (Rule 65: Pathway Education Fund) for the Lifelong Education Fund 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 Lifelong 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 15 and 16 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.

I/We choose to opt-out of future direct marketing content by marking the following box.

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 Lifelong Education Fund dated 04/08/2017. 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 \_\_\_\_\_

How did you hear about ASG? (new member only)

- 1 Friend  2 Family  3 Web  4 Work  5 Magazine  6 Newspaper  7 Radio  8 ASG staff  9 Other \_\_\_\_\_  10 Event  11 Social media



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

# Direct debit request form for the Lifelong Education Fund

Member No.  
 .....

Date      /      /

I/We authorise and request Australian Scholarships Group Friendly Society Limited, Debit User ID 002857, to arrange for funds to be debited from my/our nominated account through the Bulk Electronic Clearing System (BECS) at the financial institution shown below according to the schedule specified below.

|   | Title | Surname | Given names |
|---|-------|---------|-------------|
| 1 |       |         |             |
| 2 |       |         |             |

Address

Suburb Postcode | | | |

**Bank account details**

Bank account holder

BSB number

Name and branch of financial institution

Account number (maximum of 9 digits)

IMPORTANT: Credit union account holders please check with your institution for your correct BSB and account number

Print name of account holder  Signature of account holder

1  1  Date / /

2  2  Date / /

Note: If debiting from a 'two to sign' account, both signatures are required.

**Credit card details**

Card holder's name

Please mark correct box with 'X'      Visa     MasterCard

Full credit card account number (16 digits)

Expiry date  /

Note: ASG will charge you 0.66% per transaction amount to cover the cost of the merchant fee payable in offering this service.

Print name of credit card holder  Signature of credit card holder

Date / /

**Regular direct debit**

How often to debit from your account?      Bi-monthly     Monthly     Quarterly     Bi-annually     Annually

Note: to be debited commencing the 1<sup>st</sup> of the month following the initial contribution, unless indicated within the 'Regular contributions' section of the Lifelong application form.

**Once only direct debit**

Amount \$  .

Date to be debited on  / /

(must be the same as on the 'initial contribution' section of the Lifelong application form)

Do you want to replace existing account details?      Yes     No

Special notes \_\_\_\_\_







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## Receipt for initial contribution for the Lifelong Education Fund

Official acceptance of application to Lifelong and membership documentation will be forwarded by ASG and will serve as the official receipt of payment and membership registration.

### Initial contribution

Lifelong Education Fund

| Lump sum payment | First regular contribution   | Sub total      |
|------------------|------------------------------|----------------|
| \$               | \$                           | \$             |
|                  |                              | Joining fee \$ |
|                  | TOTAL (Exc credit card fees) | \$             |

### Payment options

Use existing direct debit details on file     Credit card (fees apply)     Cheque     Once only direct debit

Date of initial payment

### Regular contributions

Regular direct debits will commence on the first of the month following the initial contribution unless specified below.

Alternate date to be debited

Regular direct debits occurring bi-monthly will be debited on the first and 15<sup>th</sup> of each month, commencing from the first of the month.

| Education Planning Consultant | Signature | Date |
|-------------------------------|-----------|------|
|                               |           | / /  |

### Notes

- 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.
- This receipt is for an application for Lifelong on an application form attached to the PDS for the Lifelong Education Fund dated 04/08/2017. If you have obtained and/or completed a copy of the application form via electronic means, you confirm that it has been accompanied by the PDS and that you have received the PDS.





**Australian Scholarships Group  
Friendly Society Limited**

ABN 21 087 648 879  
AFSL 236665

**Postal address:**

23-35 Hanover Street Oakleigh VIC 3166

Phone: **131 ASG (131 274)**

Fax: **03 9563 2780**

Email: [memberservices@asg.com.au](mailto:memberservices@asg.com.au)

Website: [www.asg.com.au](http://www.asg.com.au)

