



## Product Disclosure Statement for the Pathway Education Fund

Date: 7 September 2015



### **Important information**

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

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) 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 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 every child 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?

Whether you plan to send your child to a private, government or systemic school, education costs can add up quickly. However, with some forward planning and budgeting, you're giving yourself the best chance to give your child a good education and a strong future.

Our education funds offer a range of options to plan for the costs of education, and the peace of mind that your contributions are invested by fund managers who take a conservative balanced approach to ensure long term and sustainable growth.

With more than \$1.7 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 515,000 children and more than \$2 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 pages 8 and 9).

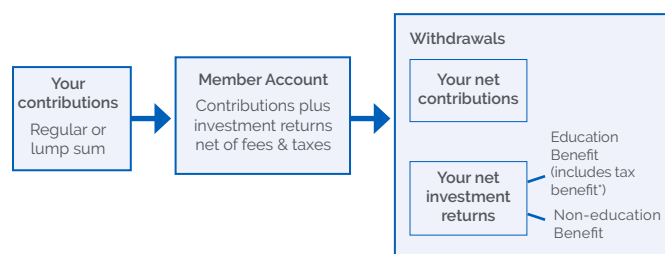
Planning for your child's education is a big responsibility. We are here to make that important task a little easier.

## ASG's Pathway Education Fund

ASG's Pathway Education Fund (PEF) is a versatile plan for any stage of your child's education journey.

The PEF provides the flexibility for you to determine how much you contribute, how often, and when your benefits will be paid for your child's education.

### Summary of how the PEF works



*"If you use any earnings for education related expenses, the amount paid will be increased by a tax benefit (see "What are the tax benefits?" on page 8)*

Benefits can be used to help with education expenses across primary school (including preschool), secondary school and a wide range of post-secondary and vocational training courses.

The PEF is a registered benefit fund of ASG under Rule 65 of its Constitution, and operates with the sole purpose of providing benefits for the education of nominated children (known as nominated beneficiaries).

# PEF at a glance

## Investing in your child's education

Feature	Description	For further information
Range of eligible education related expenses covered	Assists with a wide range of education costs across preschool, primary school, secondary school, 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	Provides a flexible contribution structure. Make payments as and when you can.	See 'How do I make contributions?' on page 6.
Minimum contributions	a) starting from \$11.54 per week as a regular contribution b) as a lump sum starting from \$500 at enrolment, with each subsequent contribution starting from \$250 or more.	See 'How do I make contributions?' on page 6.
Tax benefit	ASG's PEF is 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. It also means your nominated beneficiary (and not you) will be treated as receiving the amount, for tax purposes.	See 'What are the tax benefits?' on page 8 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 for PEF is to provide market related returns using a range of investment funds managed by professional fund managers to achieve a conservative balanced risk profile.	See 'How are my contributions invested?' on page 7.
Estate planning	PEF's estate planning feature allows you to appoint a Fund Guardian to your Member Account, ensuring your nominated beneficiary receives their benefit in the event of either your death or mental incapacity.	See 'Estate planning' on page 10.

### Who is PEF suitable for?

Anyone wanting to support a child's future education can become a member of ASG's PEF. 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 who will be the recipient of Education Benefits paid from the Member Account.

You can nominate any child prior to their 19th birthday. If you are saving for a child that hasn't been born yet or you haven't decided which child you would like to nominate, you can open a PEF and then notify ASG when you have decided.

You must nominate a child as a beneficiary prior to their 19th birthday, to be eligible to receive benefits. You can then elect for the child to receive benefits during their primary, secondary, post-secondary schooling or vocational studies.

### Can I change my nominated beneficiary?

After you have nominated a child as a beneficiary, you have the ability to change your nomination. You can change your nomination to anyone aged up to 24. If your nominated beneficiary is aged between 19 and 24, they must currently be undergoing a course that satisfies ASG's Education Benefit criteria. For more information see 'What happens when my nominated beneficiary finishes their education?' and 'How long does my Member Account stay open?' on page 13.

## How do I make contributions?

Upon joining the PEF, 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.

ASG's PEF offers flexibility to maximise your saving ability in a way that best suits you.

You can contribute to your Member Account in three ways:

Ways to contribute	How much and when	Method of contribution
Regular contributions	<ul style="list-style-type: none"><li>Start from as little as \$11.54 per week.</li><li>Pay bi-monthly, monthly, quarterly, bi-annually or annually.</li></ul>	Payments can be made by direct debit or credit card*.
Lump sum 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 lump sum payments of \$250 or more.</li></ul>	Payments can be made by BPAY (except at initial enrolment), credit card*, direct debit, cheque or money order.
Combination of regular and lump sum contributions	You can make lump sum contributions in addition to your regular contributions, as described above.	Regular contributions can be made by direct debit or credit card*.  Lump sum contributions can be made by BPAY (except at initial enrolment), credit card*, direct debit, cheque or money order.

*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 \$500,000 per nominated beneficiary enrolled. 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 \$500,000 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 \$1000 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 13 for further details).

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

The cost of education—like the general cost of living—continues to rise each year. In fact, figures released by the Australian Bureau of Statistics (Source: Sep 14 -6401.01 Consumer Price Index, Australia) indicate the cost of education has risen by more than double the rate of inflation over the past 10 years in Australia.

To help offset the rising costs of 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 the initial contribution.

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

## How are my contributions invested?

The investment strategy for PEF 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 in investment type classes by investing in defensive assets such as fixed interest securities and cash, as well as 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 page 15).

## Ethical investment considerations

ASG appoints external investment managers and provides them with broad investment guidelines. ASG is not in a position to 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 for the PEF 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 PEF's 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. Please note that the first bonus rate declaration for the PEF will be for the period since inception till the end of December 2015.

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.

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.

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

### What is an Education Benefit?

An Education Benefit is an education related payment from ASG paid from your investment earnings for the benefit of your 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 page 8).

### 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 8 for more information.

## ASG's Education Benefit criteria

You can withdraw funds as an Education 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 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 post-secondary 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.)
- 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 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 may come in the form of:

- 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 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 education costs arise at various times over the school year. 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' at [www.asg.com.au](http://www.asg.com.au)

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 \$50 and it will be processed generally within 10 business days.

## What are the tax benefits?

ASG's PEF has been established with the sole purpose of providing benefits for the education of nominated beneficiaries. It is designed to qualify as a scholarship plan under the *Income Tax Assessment Act 1997*. The PEF 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 main tax benefits are as follows:

- You are not required to pay tax at an individual level, which may carry flow on benefits. This is a result of any quarterly bonus allocations—which are credited to your Member Account—not being included in your assessable income, as the earnings of the Fund are tax paid.
- You can access your net contributions (your contributions less applicable fees and costs) at any time, without having to pay any 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 your nominated beneficiary.
- Your nominated beneficiary may not have to pay any personal tax on the amount received, provided they are aged 18 years or over (by the end of the tax year) and report taxable income less than the effective tax free threshold.\*



If earnings are paid for non-education related expenses (Non-education Benefits) they are subject to Insurance Bond Rules. ASG cannot claim a tax deduction for these payments, however;

- if you hold your PEF for 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/pds](http://www.asg.com.au/pds)).
- 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/pds](http://www.asg.com.au/pds)). However, under present tax rules, you will receive a 30 per cent tax offset for any assessable component received.

*\*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 is \$20,542.*

#### Note:

If a payment is made due to any of the following reasons, it will be received on a tax paid basis:

- death, accident, serious illness or other disability of a nominated beneficiary or you (as the member), 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 are the Insurance Bond Rules?

Insurance Bond Rules are special tax rules that apply to insurance bonds (including certain education savings plans such as the PEF), 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 Pathway Education Fund' available at [www.asg.com.au/pds](http://www.asg.com.au/pds).

## How are my withdrawals affected by tax?

The tax impact on your withdrawals 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 an education related cost (Education Benefit\*) or a non-education related cost (Non-education Benefit\*)
- if your withdrawal is for an Education Benefit, the amount of the Education Benefit will be assessable to your nominated beneficiary. The age of your beneficiary at the time you make the withdrawal determines the applicable tax rate. The tax rate applicable to the withdrawal will depend on whether the nominated beneficiary is 18 years or older in the financial year they receive the withdrawal. For more information on individual income tax rates please refer to the ATO website: [www.ato.gov.au](http://www.ato.gov.au)
- if your withdrawal is not for an Education Benefit, the Insurance Bond Rules determine if you pay any tax. For more information see the fact sheet 'Tax and the Pathway Education Fund' available at [www.asg.com.au/pds](http://www.asg.com.au/pds).

*\*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.*

## 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	Not assessable	
Education Benefit	Nominated beneficiary	Under age 18: Taxed at rates applicable for minors (generally)*	Aged 18 or over within the financial year: Taxed at adult marginal rates
Non-education Benefit	Member	Assessable to the member at marginal tax rates and subject to the Insurance Bond Rules <sup>1</sup> .	

*<sup>1</sup>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](http://www.ato.gov.au)*

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

## Estate planning

The PEF's estate planning feature allows you to nominate a guardian (referred to as a Fund Guardian) to ensure your nominated beneficiary receives their benefit with minimal disruption, in the event of your death or mental incapacity.

Further, a person nominated under a power of attorney or a court order will generally be able to administer your Member Account, in the event you suffer from mental incapacity. The Member Account will, however, remain in your name. In order for us to give this authority to your attorney or court appointed representative, ASG must be provided with a certified copy of the relevant power of attorney or court order and any other information as requested by ASG. Authority to administer a Member Account is given at the sole and absolute discretion of ASG.

### What is the role of a Fund Guardian?

A Fund Guardian appointment gives an individual, company or trustee of a trust, 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, both members), in the best interests of the nominated beneficiary.

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 or permitted to 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.

A Fund Guardian is not subject to the terms of your Will or a power of attorney you may have established. The appointment of an individual Fund Guardian is automatically revoked upon their death.

### What happens if no Fund Guardian is nominated?

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, both members) your Member Account will transfer to your estate and your executor or administrator will become responsible for administering your Member Account for the benefit of your nominated beneficiary.

## Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your Member Account, from the returns on your investment or from the PEF assets as a whole. Taxes are set out on pages 8 and 9. 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 the PEF</b>		
<b>Enrolment fee</b> The fee to open your Member Account	\$149.00	A separate once-off fee, payable upon enrolment.
<b>Contribution fee</b> The fee on each amount contributed to your Member Account	Nil	N/A
<b>Withdrawal fee</b> The fee on each amount you take out of your Member Account	Nil if withdrawals are made within the four scheduled withdrawal periods, or \$50 for withdrawals made outside the scheduled withdrawal periods.	Deducted from your Member Account at the time of withdrawal.
<b>Termination fee</b> The fee to close your Member Account	Nil	N/A
<b>Management costs</b>		
<b>Administration fee</b> The fee for administering your membership of the PEF	\$52 p.a.	Deducted from your Member Account on a quarterly basis.
<b>Management costs</b> The fees and costs for managing your Member Account	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> 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 0.30% p.a.	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.

### 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 reimburse itself from the Fund for the following expenses:

#### Direct expenses of the PEF

Direct expenses of the PEF mean all duties, taxes, out-of-pocket costs, charges, expenses and outgoings including:

- (i) all government duties, taxes, charges and fees incurred by the PEF;
- (ii) all fees, expenses and outgoings properly incurred or accrued in the management and maintenance of the assets of the PEF;
- (iii) costs of buying, selling, trading or transferring the assets of the PEF; and
- (iv) extraordinary legal costs incurred by ASG in connection with the discharge of its obligations under the rules of the PEF

- (v) all amounts payable by the Fund under the terms of its investment in one or more managed investment schemes.

ASG has determined that the Direct expenses of the PEF, excluding the fees and costs charged by underlying investment managers utilised by ASG in managing some assets of the Fund (as in paragraph (v) of the definition above), will be met from the Management costs, rather than reimbursed from the Fund (as permitted under the rules of the Fund). Fees and costs charged by such underlying investment managers will continue to be borne directly by the Fund and are included in the above fee table as 'Indirect investment management costs'.

#### Dishonour fees

Where a contribution paid by a member via cheque or direct debit 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 in the fees table and this section. 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
- (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 does inflation impact my PEF?

The rate of increase in 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 education?' on page 6 for further information).

### Do I need to nominate a child?

You do not need to nominate a child to open a Member Account, however, you must nominate a child prior to making a withdrawal for an Education Benefit. You can do this any time between enrolment and submitting a withdrawal request during any of ASG's four payment periods.

### What if my plans change?

If your plans change and you no longer require the funds in your Member Account for education reasons, you may cancel your Member Account or leave it open. If you cancel your Member Account and any funds remain, they will be returned to you. You will receive your net contributions tax free and any investment earnings will be returned to you as a Non-education Benefit (see page 7 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 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 received will be treated as a Non-education Benefit for tax purposes (see page 7).

### 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 \$50 and will generally be processed within 10 business days.

### **What happens when my nominated beneficiary finishes his/her 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 a Non-education Benefit for tax purposes (see page 7 for further details).

Alternatively, you may wish to nominate another child who has not yet finished his/her education. This may be a sibling or other child in your life (e.g. niece or nephew) who is not yet 19, or if between 19 and 24 years old, they are currently undertaking a course as outlined in ASG's Education Benefit criteria on page 8.

### **Can I alter my contributions?**

You can change the amount and frequency 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 for you under the 125 per cent rule before making a decision on suspending contributions. See the tax fact sheet 'Tax and the Pathway 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 \$1000. 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 a Non-education Benefit for tax purposes (see page 7 for further details).

### **How long does my Member Account stay open?**

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

- your nominated beneficiary reaches 25 years of age
- 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 Non-education Benefit, subject to Insurance Bond Rules for tax purposes.

Before a nominated beneficiary reaches 25 years of age, you have the option of substituting them for another beneficiary, provided that the beneficiary to be nominated is not yet 25 years of age. If the nominated beneficiary you are appointing is aged over 19 they must be currently undergoing a course that satisfies ASG's Education Benefit criteria.

### **Are my investment returns guaranteed?**

When considering enrolling in ASG's PEF, 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 and 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 the PEF being a scholarship plan, may be affected by any future change to tax legislation. 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 the PEF and is also detailed in the rules of the PEF.

### **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 a Non-education Benefit and be subject to the Insurance Bond Rules; or
- The member can nominate another child 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 legal personal representative.

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

Your Fund membership will continue while the nominated beneficiary is undertaking an approved course, with the Fund Guardian or your legal personal representative 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 this Fund include the following types of investment risks shown in the below table.

Risk	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 and our subsidiaries. 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 top-tier 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.

Changes to membership details will generally be permitted by anyone on a membership. ASG reserves the right to request the signature of each member to ensure common agreement for matters such as withdrawals, changes to membership names, cancellations or in situations required by law.

### 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 confirmation of enrolment, 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 in October. The statement will also detail your contributions, the portfolio structure, investment performance, declared bonus rate and current value at the close of the financial year.

### Tax statements

ASG will provide you or your nominated beneficiary with an individual taxation statement, when assessable benefits have been paid from the PEF, in respect of the relevant financial year.

### Newsletter

ASG will provide you with a copy of ASG's *Scholastic*, the member quarterly newsletter, to keep you informed of news and information on relevant financial and regulatory issues.

### 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.

### ASG Constitution

The ASG Constitution comprises corporate governance rules and rules for each of ASG's benefit funds, including the PEF. A copy of the Constitution will be provided free of charge on your request.

### 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's 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.

An expert's consent has also been received from the Appointed Actuary regarding statements in this PDS attributable to the Appointed Actuary, 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 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)

## Our contact details

Any enquiries regarding your membership or benefits should be directed to ASG's registered office:

Australian Scholarships Group Friendly Society Limited  
ABN 21 087 648 879, AFSL 236665  
23–35 Hanover Street, Oakleigh VIC 3166  
Phone: 131 ASG (131 274)  
Fax: 03 9563 2780  
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

## Collecting your personal information

The information requested on the application form and the direct debit request form contained in this document and information relevant to administering your Member Account and payment of your benefits (including proof of identification) is the extent of the personal information we will collect from you to commence your Member Account.

We request this information for the purpose of processing your application and commencing and managing your membership account. If you do not provide complete information, we may not be able to process your application or commence or manage your membership account. In this situation, a counsellor will contact you for the missing information.

Completion of the direct debit request form is optional.

You may provide only one telephone number. You do not have to provide details of your occupation. However, having this information will help us to better understand you and your service needs to help us deliver better service.

## Purpose of collection

The information you provide at the commencement of your membership account will confirm your identity (as required by law) and allow us to assess your application.

After the commencement of your membership account we may collect, use or disclose further or additional information about you or your nominated beneficiary. The purpose of this is to administer and manage your Member Account in accordance with the Fund rules, effect member payments, respond to and effect information or service requests from you or your nominated beneficiary, better understand you and your service needs, deliver better service and inform you about our services and products.

We will also use your information to:

- inform you about other ASG products and services
- create statistical information for internal use
- send you Annual Member Statements, quarterly newsletters and other membership material.

## Disclosure of personal information

The information we collect may be disclosed to:

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



## 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 your information with a strong emphasis on its security and the protection of your privacy.

Some of the measures include the following:

- We do not provide information until we are satisfied that the person seeking information has the authority to do so and their identity has been verified.
- Access to our computer network is by user identification and password only.

## Passwords are changed regularly

- All users can be identified and security logs are regularly reviewed.
- Our network has the necessary security measures including firewall and virus protection.
- Back up files are stored at a separate secure site.
- Staff are only given access to information necessary to perform their role.
- All our staff are bound by confidentiality clauses in their employment agreements relating to the appropriate use of members' information, Privacy Policy and privacy changes.

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](http://www.asg.com.au/privacy)

If you would like further information about our Privacy Policy or this Privacy Statement, or you think ASG has breached any undertaking we have made regarding privacy matters or the Australian Privacy Principles, 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 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.

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: 1300 780 808  
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](http://www.asg.com.au)

### Auditor:

P Caldwell - Deloitte Touche Tohmatsu  
550 Bourke Street, Melbourne VIC 3000

### Appointed Actuary:

G F Thorburn - Mercer Consulting (Australia) Pty Ltd  
727 Collins Street, Melbourne VIC 3008

### 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.
- 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 16.)

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: [memberservices@asg.com.au](mailto: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>Bonus rate</b>	The rate of your investment earnings that is declared for any given quarter in the year, calculated after the Fund's expenses, taxation 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>Education Benefit</b>	A payment made to you (or your nominated beneficiary) from your investment earnings component, to cover education related expenses that have satisfied ASG's Education Benefit criteria
<b>Insurance Bond Rules</b>	<p>Insurance Bond Rules only apply to Non-education Benefit withdrawals made from the PEF. They are special rules that determine how much tax you will pay upon receipt of a Non-education Benefit. If your PEF is held for 10 years from the initial contribution, without resetting the 10 year period (see the '125 per cent rule' definition included within this table), you will not have to pay any further tax on a Non-education Benefit withdrawal.</p> <p>If the withdrawal is received prior to the 10 year period, the amount received will be assessable for tax purposes, with one third being assessable if the withdrawal is made during the 10th year, two thirds being assessable during the ninth year, and fully assessable if withdrawn within eight years. Please note a 30 per cent tax offset applies to any tax payable, in respect to tax already paid by the Fund.</p>
<b>Investment earnings</b>	The return on your investment within the PEF. 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>Management expenses of the Fund</b>	<p>The Management expenses of the Fund are:</p> <ul style="list-style-type: none"> <li>(a) those expenses incurred in connection with the administration of the Fund;</li> <li>(b) auditor's fees and expenses incurred in auditing the accounts and records of the Fund;</li> <li>(c) the society's actuary's fees and expenses incurred in giving the actuarial certifications and undertaking the actuarial functions required by the relevant legislation;</li> <li>(d) the reasonable fees and disbursements of the solicitors for the society in advising the society of matters arising in connection with the discharge of its obligations under the Fund rules;</li> <li>(e) other expenses and charges incurred in connection with the keeping of proper books of account, the cost of sending out to members certificates, statements of benefit, cheques, circulars, reports and other notices and the cost of preparing other documents required to be circulated among or sent out to members; and</li> <li>(f) investment manager and investment consultant fees other than all amounts payable by the Fund under the terms of its investment in one or more managed investment schemes.</li> </ul>
<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>Nominated beneficiary</b>	The child you nominate to receive the Education Benefits of your PEF
<b>Non-education Benefit</b>	A payment made to you, from your investment earnings component, for non-education related expenses
<b>Politically Exposed Person</b>	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.
<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 the PEF for 10 years since the initial contribution, without exceeding each prior year's contributions by 125 per cent. If you exceed any prior years' contributions by 125 per cent, the start date of the 10 year 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

# Application form

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



Presentation date:

/		/	
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Pathway Education Fund (Rule 65)

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)\*

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

\*Refer to 'Membership' on page 15 for more information.

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

	Occupation	Relationship to child/children
1		
2		

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 20 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:

	Surname	Given names	D.O.B.	Gender
Member Account 1				
Member Account 2				
Member Account 3				
Member Account 4				

A new Member Account is created in PEF for each Nominated Beneficiary 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 Nominated Beneficiary, you will need to complete a separate application form attached to the PDS.

## Initial contribution

Date of initial payment

 /  / 

Pathway Education Fund

	Enrolment fee	Lump sum payment	First regular contribution	Sub total
A/c 1	\$	\$	\$	\$
A/c 2	\$	\$	\$	\$
A/c 3	\$	\$	\$	\$
A/c 4	\$	\$	\$	\$
TOTAL (Exc credit card fees)				\$

### 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"/>	<input type="text"/>	<input type="text"/>
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Name of cardholder \_\_\_\_\_ Expiry date: \_\_\_\_/\_\_\_\_

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

## Regular contributions

### Payment options:

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

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 /  / 

	Contribution amount (complete one amount per account)					
	Bi-monthly (1 <sup>st</sup> and 15 <sup>th</sup> )	Monthly	Quarterly	Bi-annually	Annually	Indexation amount (from 0-25%)
A/c 1						
A/c 2						
A/c 3						
A/c 4						

### 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 MYASG. If this column is left blank no indexation will apply.

\*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 for the Pathway Education Fund (PEF) 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 the PEF either directly from an ASG counsellor 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 16 and 17 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.

Applicant 1 signature \_\_\_\_\_

Applicant 2 signature \_\_\_\_\_

**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 Pathway Education Fund dated 07/09/2015. If I/we have obtained and/or completed a copy of the application form via electronic means it has been accompanied by the PDS.

### Counsellor's details:

Name: \_\_\_\_\_

Number: \_\_\_\_\_

Opp ID: \_\_\_\_\_

 Quote for certificate (circle one)  1  2  3  4  5  6  N/A

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

1  2  3  4  5  6  7  8  10  9  
 Friend Family Web Work Magazine Newspaper Radio ASG staff Event Other



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 Pathway Education Fund

Date:      /      /

Member No.  
.....

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 PEF application form.

### Once only direct debit:

Amount \$

Date to be debited on:  /  /

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

Do you want to replace existing account details?    Yes     No

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



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## Receipt for initial contribution for the Pathway Education Fund

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

### Initial contribution

Pathway Education Fund

	Enrolment fee	Lump sum payment	First regular contribution	Sub total
A/c 1	\$	\$	\$	\$
A/c 2	\$	\$	\$	\$
A/c 3	\$	\$	\$	\$
A/c 4	\$	\$	\$	\$
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 1<sup>st</sup> 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 1st and 15th of each month, commencing from the 1st of the month.

Counsellor's name	Signature	Date
		/ /

### Notes:

- Cooling off period: If you change your mind within 14 days of receiving confirmation of enrolment, 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.
- After acceptance of the enrolment, ASG will forward you a membership certificate.
- Applications for the PEF may only proceed on the ASG application form accompanying this PDS dated the 07/09/2015



**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)

