The ARA Retirement Fund

A Sub Plan of the Aracon Superannuation Fund

ABN 40 586 548 205
RSE Registration Number R1001020

Product Disclosure Statement

Prepared 2 March 2021

Issued by Equity Trustees Superannuation Limited
ABN 50 055 641 757
AFS Licence Number 229757 RSE Licence Number L0001458

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Level 1, 575 Bourke Street Melbourne Vic 3000

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Important Information

This Product Disclosure Statement ("**PDS or Statement**") is a summary of significant information and contains a number of references to important information, each of which forms part of this Statement. This Statement contains general information only and does not take into account your personal financial situation or needs. You should consider obtaining financial advice from a licensed financial advisor that is tailored to suit your personal circumstances. This Statement may be updated or changed by the issuer from time to time.

You should read and consider the important information about The ARA Retirement Fund (the "**ARARF**"), a Sub Plan of the Aracon Superannuation Fund, before making a decision about the product. Go to the Additional Information Guide and other relevant forms or guides that are available by contacting the Promoter, ARA Consultants Ltd ("**ARA**"). The material relating to the ARARF may change between the time when you read this Statement and the day when you acquire the product.

You may request a copy of the PDS and any matter in writing that is applied, adopted or incorporated within the PDS by telephoning the Promoter on (03) 9853 1688. They are required to provide this to you, free of charge and within 8 business days of your request, on behalf of the Trustee.

1. About The ARA Retirement Fund

The Aracon Superannuation Fund (ASF) is a public offer superannuation fund. The ARA Retirement Fund (ARARF) is a sub-plan of the ASF designed for employees, self-employed persons, retirees and other eligible individuals who are clients of ARA and wish to maximise their retirement savings by investing through a tax effective vehicle by choosing their own superannuation product.

The ARARF has two divisions that are both described within this PDS and the Additional Information Guide. The Accumulation division is designed for members saving for their retirement, while the Pension division is designed for members who choose to receive an income stream from their superannuation account. Within each division, you have a choice of investment strategies including defensive, growth and equity strategies (see section 5 - How We Invest Your Money for more information). Accumulation division members may also include insurance cover with their membership account. The benefits, features and risks described in this PDS in relation to the ARARF apply to both the Accumulation and Pension divisions unless stated otherwise.

You can find information about trustee and executive remuneration, and any other documents that must be disclosed in accordance with legislation, at www.araconsuper.com.au

The Trustee of the ASF is Equity Trustees Superannuation Limited ("ETSL", the "**Trustee**", or "**we**"), a wholly owned subsidiary of EQT Holdings Limited (EQT), an ASX Listed Company. DIY Master Pty Ltd ABN 41 123 035 245 AFSL 312431, the member Administrator is a wholly owned subsidiary of HUB24. ARA is the Promoter and Investment Manager for The ARA Investment Fund ("ARAIF") (ARSN 104 232 448), a managed investment scheme registered with the Australian Securities and Investments Commission in which the Trustee currently invests the ARARF's assets. All of the investments are held in the name of the Trustee of The ARA Retirement Fund.

2. How Super Works

Superannuation (or "**super**") is a means of saving for retirement, which is in part compulsory. There are different types of contributions available that can, subject to limitations and other criteria, be made to your super account by you, your employer, your spouse or by Federal Government co-contribution. Some of these contributions may be either compulsory or voluntary.

During your working life, contributions accumulate in your super account and are invested according to your chosen investment strategy, with earnings and/or losses allocated to that account. Deductions from your account may be made for taxes, insurance premiums or other fees and costs. The balance of the super account is generally available to form a benefit upon retirement. During the accumulation phase, insurance may be included with your super account to provide additional benefits in the event of your death or disability.

There are various limitations on how you can withdraw your benefits from superannuation and the Federal Government has imposed preservation requirements to restrict access to your benefits until genuine retirement, or in other specific circumstances that include death, terminal illness, disability, financial hardship or compassionate grounds. Your benefits may be paid either as a lump sum, pension or combination.

The Federal Government provides various taxation savings and concessions to those who invest in super. Most people have the right to choose the super fund into which their employer should direct their superannuation guarantee contributions. You can obtain more information on how super works at the Australian Securities and Investments Commission ("**ASIC**") website www.moneysmart.gov.au.

You should read the important information about how super works before making a decision. Go to the How Super Works section contained in the Additional Information Guide that is available by contacting ARA. The material relating to super may change between the time when you read this statement and the day when you acquire the product.

3. Benefits of Investing with The ARA Retirement Fund

The ARARF is a sub-plan within a fully compliant, regulated and flexible super fund that provides an easy to use solution for your retirement savings. The Trustee aims to provide a service to each member that includes the following significant features and benefits:

- making personal service available from ARA to answer your questions and assist with your retirement planning needs;
- ability to include insurance cover for death and/or total permanent disablement during accumulation;
- select from three investment strategies;
- receive your benefits as either a lump sum or pension;
- fee rebates that can provide savings to you and your family as your investments grow; and
- either binding or non-binding nominations of beneficiaries to assist with your estate planning.

You should read the important information about the benefits of investing with the ARARF before making a decision. Go to the Benefits of Investing With The ARA Retirement Fund section contained in the Additional Information Guide that is available by contacting ARA. The material relating to the ARARF may change between the time when you read this statement and the day when you acquire the product.

4. Risks of Super

All investments carry risk, which may result in an undesirable consequence or outcome. The ARARF offers members three different investment strategies, which carry different levels of risk, depending on the assets that make up the strategy. Generally, assets with the highest long-term returns may also carry the highest level of short-term risk. Some of the significant risks of investing with the ARARF include:

- the value of investments will vary;
- the level of returns will vary and future returns may differ from past returns;
- returns are not guaranteed and members may lose money on some or all of their investment;
- superannuation laws may change in the future;
- your future superannuation savings, including contributions and investment returns, may not be enough to provide adequately for your retirement; and
- your savings and benefits cannot be accessed until you meet a condition of release.

Processing of transactions may be delayed in some circumstances, e.g. where a manager of an underlying investment freezes funds. The level of risk you face will vary depending on a range of factors, including your age, investment time frames, other wealth or investments you may have and your risk tolerance.

You should read the important additional information about the risks of super before making a decision. Go to the Risks of Super section contained in the Additional Information Guide that is available by contacting ARA. The material relating to risks may change between the time when you read this statement and the day when you acquire the product.

5. How We Invest Your Money

The ARARF offers a choice of three investment strategies. Where you do not indicate a choice of strategy or your choice is not clear, your application will be returned or postponed pending confirmation of your choice.

Strategy Name	Defensive		Growth		Equities	
Management Strategy	Invests in a variety of assets designed to provide an attractive yield income, greater in aggregate than bank bills or term deposits, but still highly liquid.		Invests in growth assets, some listed on stock exchanges, some unlisted. These assets may include shares, property, interest bearing and unlisted securities.		Invests predominantly in growth assets, some listed on stock exchanges and may also include unlisted, interest bearing and international securities.	
Type of Investors for whom it is intended to be suitable for	Designed for investors with a low tolerance to fluctuation in the value of their portfolio and who are content to accept a lower long term return as a consequence.		Designed for investors with a moderate tolerance to short- term fluctuation in the value of their portfolio, in the pursuit of a more attractive medium term return.		Designed for investors with a high tolerance to short- term fluctuation in the value of their portfolio, in the pursuit of a more attractive long term return.	
Asset Classes	**Allowable Range (%)**	**Current Strategic Benchmark (%)**	**Allowable Range (%)**	**Current Strategic Benchmark (%)**	**Allowable Range (%)**	**Current Strategic Benchmark (%)**
Defensive Assets	55-100	85	10-70	40	0-75	11
Growth Assets	0-50	15	10-100	60	25-100	89
Investment Return Objectives	To exceed the Reserve Bank of Australia Cash Rate by at least 1% per annum, before tax and after fees and expenses, over rolling three-year periods.		To exceed the Reserve Bank of Australia Cash Rate by at least 3% per annum, before tax and after fees and expenses, over rolling five-year periods.		To exceed the Reserve Bank of Australia Cash Rate by at least 4% per annum, before tax and after fees and expenses, over rolling five-year periods.	
Minimum suggested Time for Investment	up to 3 years		4-7 years plus		7 years plus	
Standard Risk Measure*: Risk Band and Label	Risk Band 3: Low to Medium		Risk Band 5: Medium to High		Risk Band 6: High	
Estimated number of negative annual returns over any 20 year period	2		4		6	

* The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The measure includes seven bands where 1 represents the least risk of negative returns and 7 represents the highest risk of negative returns. Note that this is not a complete assessment of all forms of investment risk, e.g. It does not take into account the size of a negative return or that positive returns may not be sufficient to meet your objectives, the impact of fees and tax on the likelihood of a negative return. Members should ensure they are comfortable with the risks and potential losses associated with their chosen investment strategy.

You may alter your investment strategy selection at any time by notifying the Trustee in writing of your intention. This includes switching your current investment balance and/or any future contributions or other transactions.

The Trustee regularly reviews and modifies its strategic asset allocations using its model of long-term return expectations. Specific investments held within the various investment strategies may frequently change as the ARARF is actively and continuously managed on behalf of its members. The Trustee may change how the investment strategies are designed and invested, including any underlying investment managers, allowable or strategic asset ranges, and the addition or removal of investment strategy options.

The Trustee does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments for the ARARF. However, underlying investment managers may do so in their own right, although this is not on behalf of the Trustee.

Warning: *When choosing an option in which to invest in, you must consider the likely investment return, the risks and your investment timeframe. You should read the important additional information about investments before making a decision. Go to the How We Invest Your Money section contained in the Additional Information Guide that is available by contacting ARA. The material relating to investments may change between the time when you read this statement and the day when you acquire the product.*

6. Fees and Costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You or your employer, as applicable, may be able to negotiate[#] to pay lower administration fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

*If you would like to find out more or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission ("**ASIC**") website (www.moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.*

[#] The above consumer advisory warning is required by law and the Trustee does not negotiate lower fees to employers, members or other persons. The ASIC fee calculator at www.moneysmart.gov.au can be used to calculate the effect of fees and costs on account balances.

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

Entry fees and exit fees cannot be charged. Taxes, insurance fees and other costs relating to insurance are set out in another part of this document. You should read all the information about fees and other costs because it is important to understand their impact on your investment. All fees quoted are inclusive of GST and net of Reduced Input Tax Credits (RITC).

The ARA Retirement Fund - Growth[1]		
Type of Fee	**Amount**	**How and when paid**
Investment Fee[2]	1.153%	Deducted from unit pricing calculations for the ARA Investment Fund in which the ARARF invests.
Administration Fee[2]	0.1045%	Deducted from member accounts and paid to ETSL.
Buy-sell spread	Nil.	N/A.
Switching fee	Nil.	N/A.
Advice fees relating to all members investing in a particular investment option	Nil.	N/A.
Other fees and costs	Refer to the Additional Explanation of Fees and Costs.	Refer to the Additional Explanation of Fees and Costs
Indirect cost ratio[2,3]	1.6317%	Deducted from underlying managed funds in which the ARA Investment Fund invests.

1. For further information regarding the fees and costs associated with the Defensive and Equities strategies, please refer to section 5 of the Additional Information Guide
2. If your account balance for a product offered by the superannuation entity is less than $6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.
3. The indirect cost ratio includes performance fees payable to the underlying investment managers and a fee to the Responsible Entity of the ARAIF (0.064%). For further information regarding performance fees payable for each investment option, please refer to section 5 of the Additional Information Guide.

Example of Annual Fees and Costs

This table gives an example of how the fees and costs in each investment strategy affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE - ARA Retirement Fund (Growth)		BALANCE OF $50,000
Investment Fees	1.153%	For every $50,000 you have in the Growth investment option you will be charged $576.50 each year
PLUS Administration Fees	0.1045%	**And,** you will be charged $52.25 in administration fees
PLUS Indirect costs for the Growth investment option	1.6317%	**And,** indirect costs of $815.85 each year will be deducted from your investment
EQUALS Cost of product	2.8892%	If your balance was $50,000, for that year you will be charged $1,444.60 for the Growth investment option

** **Note**: for worked examples of all investment options (Defensive, Growth and Equities), please refer to section 5 of the Additional Information Guide.

Additional Explanation of Fees and Costs
The Trustee does not negotiate any of the fees, costs or fee rebates with members. Fee rebates, where applicable, may reduce the amount of fees shown in the above example. Refer to the Fees and Costs section of the Additional Information Guide for full details and example calculations.

Administration Fees
An Administration fee is charged to member accounts as disclosed in the table above, in return for the services provided by the Trustee. No additional costs are incurred by members, with the Trustee and/or its related parties being responsible for meeting all costs associated with fund administration, custody or other expenses (e.g. audit, accounting, tax advice, regulatory levies, postage, printing and other costs).

Indirect Costs –Fees Charged to ARAIF
A Responsible Entity (RE) fee of 0.10% p.a. is payable to the RE from the ARAIF, in which the ARARF invests. This is calculated and accrued daily and paid monthly in arrears.

A custody fee of 0.01% is payable to the custodian from the ARAIF.

In addition to fees, certain expenses associated with each investment portfolio are deducted from the ARAIF, including ordinary expenses and abnormal expenses. Ordinary expenses are costs which arise in the ordinary course of fund operations. Ordinary expenses are paid from each investment portfolio. Expenses are generally paid as incurred. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to a Fund, legal fees, once off or non "business as usual" fees, and termination and wind up costs. If abnormal expenses are incurred, they will be deducted from the assets of the ARAIF as and when they are incurred. There is no cap on abnormal expenses but are not expected to exceed the amounts in the table above. Occasionally, costs which might otherwise be considered usual are of such a nature that we may deem them to be abnormal.

Investment fees – ARA Investment Fees Charged to ARAIF
No investment fees are deducted directly through the ARARF. An investment management fee is payable to ARA from the ARAIF in respect of investments in the Defensive, Growth and Equities investment portfolios. This is calculated and accrued daily and paid monthly in arrears.

Indirect Costs
Investment fees are also deducted by the underlying investment managers appointed by ARA in respect of the assets of the ARAIF, in accordance with the amounts disclosed in the table above, at a maximum.

Some of the underlying investment managers are entitled to receive performance fees for achieving or outperforming a relevant benchmark. Performance fees are included in the indirect cost ratio disclosed in the fee table and will vary each year (i.e. total fees may be lower than those disclosed in the table above depending on the amount of investment performance fees charged in any given year).

This includes a contribution to the operational risk reserve required by APRA known as the Operational Risk Financial Requirement ("**ORFR**") which may be accrued against the earnings of the ARARF, in periods where the assets held against the ORFR are less than the targeted amount. No amounts were charged to members in this respect for the year ended 30 June 2020.

Other Incidental Fees and Costs
The Trustee has the right to charge for any incidental costs it incurs such as bank dishonour and bank transaction fees, and any other charges resulting from you transacting on your account. Such costs, if any, will be directly deducted from your account as and when incurred. There are no buy-sell spreads or any fees charged for investment switches or exit fees.

Fee Changes
The Trustee has the right to change the amount of fees without members' consent. Where this may result in an increase in fees, the Trustee will provide you with at least 30 days written notice of the change.

Government Taxes and Charges
Applicable government taxes will be deducted directly from your account, as summarised in section 7 of this PDS. The fees and costs disclosed in this PDS are inclusive of any Goods and Services Tax ("**GST**") after allowance of any reduced input tax credit that the Trustee is entitled to. Where taxes on contributions are deducted from your account, you will generally receive the tax benefit of any allowable deductions that the Trustee is able to claim on the ARARF's income tax return.

Insurance Fees
Applicable insurance premiums and associated fees will be deducted directly from your account, as summarised in section 8 of this PDS.

Fees Payable to Your Adviser
You will not generally be charged any additional fees to your account for your ARA adviser services. All advice related fees and costs, including any additional adviser fees for other services they may provide, should be set out and explained in the Statement of Advice your adviser prepares for you.

Fee Rebates
Fee rebates are available and where applicable, are paid directly into your account. Full details and examples are shown in the Additional Information Guide. The Promoter retains the right to terminate the payment of fee rebates at any time by providing the Trustee and members of the ARARF with written notice of 30 days.

You should read the important information about fees, fee definitions and fee rebates before making a decision. Go to the Fees and Costs section contained in the Additional Information Guide that is available by contacting ARA. The material relating to fees, costs and fee rebates may change between the time when you read this statement and the day when you acquire the product. For further information regarding the classification of fees go to the Fees and Costs section contained in the Additional Information Guide or access the following link: [#Link].

7. How Super is Taxed

Generally, contributions to your account are taxed at the rate of 15% (provided you have supplied your Tax File Number (TFN)). If you are classified as a high income earner, you may need to pay an additional 15% tax (known as a Division 293 tax) on some or all of your contributions. If this applies to you the Australian Taxation Office (ATO) will notify you after the end of the financial year. Contributions tax is generally deducted on receipt of contributions and is paid quarterly to the ATO. Personal and other contributions where tax deductions are not claimed (e.g. because they are being paid with post-tax money), together with any spouse contributions, are not generally subject to tax in super where they are within the relevant contribution caps. Fee rebates allocated to your Accumulation account are also subject to tax at the rate of 15%, which is deducted from your account as applicable. Additional tax and charges may be payable if you exceed any of the contribution limits. From 1 July 2017, the amount of your total superannuation balance may limit your ability to make extra contributions, claim the government co-contribution and spouse tax offsets, and make 'catch up' concessional contributions in later years. For further information please see the ATO website, www.ato.gov.au.

Where taxes on contributions are deducted from your account, you will generally receive the tax benefit of any allowable deductions (e.g. for fees or costs deducted directly from your account) that the Trustee is able to claim on the ARARF's income tax return.

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

Investment earnings and capital gains are taxed at a maximum rate of 15%. Some capital gains may be taxed at the concessional rate of 10%. Tax on earnings and capital gains is reflected in the applicable Investment Option's unit price and is not deducted directly from your account. Earnings in the Pension division are currently exempt from taxation.

Warning: *You should provide your TFN when acquiring this superannuation product. Not providing your TFN may result in being liable to pay additional tax, missing out on super co-contributions, having member contributions returned to you or it may be more difficult to keep track of your super. Also, where your contributions exceed the relevant contribution caps, you may be assessed for additional tax payable on those contributions (whether or not your TFN is provided).*

You should read the important information about how super is taxed before making a decision. Go to the How Super is Taxed section contained in the Additional Information Guide that is available by contacting ARA. The material relating to how super is taxed may change between the time when you read this statement and the day when you acquire the product.

8. Insurance in Your Super

Insurance cover in the ARARF is voluntary. You may apply to the Trustee to include insurance cover for Death only or Death and Total and Permanent Disablement ("**TPD**") with your Accumulation division account. Terminal Illness benefits or any other benefit allowed by superannuation legislation may be included as part of the relevant cover. The Trustee will consider your request to include insurance cover.

The way you apply for insurance will depend on the relevant policy and insurer. Contact your ARA adviser who can assist you in selecting and applying for an appropriate insurance policy. If your insurance cover is accepted, your insurer can direct the Trustee to deduct your insurance premiums from your superannuation account.

The costs associated with any insurance cover included with your account will vary depending on the insurer selected, the type of cover, the amount of cover and other personal circumstances. These costs should be disclosed to you in the PDS issued by the insurer providing the cover and/or the Statement of Advice prepared by your licenced financial adviser.

These costs will be deducted from your account as and when incurred. If you elect to obtain insurance through ARARF, you agree that the Trustee will continue your insurance cover even if:

- your account hasn't received a contribution or rollover for a continuous period of 16 months or longer;
- you are below the age of 25 years; and/or
- your super account balance is less than $6,000.

You can change or cancel the insurance cover you have in the ARARF at any time by notifying the required change or cancellation to the Trustee in writing.

Warning: *You should read the important information about eligibility and cancellation of any insurance policy that you choose to include with your account, together with any conditions or exclusions that are applicable, the level and type of cover available and the cost of cover (or range of costs) before deciding whether the insurance is appropriate. If you have insurance cover, the premiums will be deducted out of your account. Go to the relevant insurance policy or PDS applicable for your cover that is available by contacting ARA. The material relating to insurance may change between the time when you read this statement and the day when you acquire the product.*

9. How to Open an Account

To open an account with The ARA Retirement Fund, you need to complete and return the following forms:

- Application for Membership form (select either the Accumulation or Pension division); and
- Nomination of Beneficiaries form

Your ARA adviser can assist you in completing these forms. When joining the ARARF, there is no minimum initial investment. Cheques are to be made payable to Equity Trustees Superannuation Limited – The ARA Retirement Fund and may accompany your application form. Completed forms and cheques should be sent to:

The ARA Retirement Fund
PO Box 2273
Kew VIC 3101

Cooling-off Period

A "Cooling-off Period" of 14 days applies where you may cancel your membership account without incurring any fees or costs, except taxes or other government charges. This period commences from the earlier of the date you receive confirmation that your account has been opened and five days from when your super interest was issued to you. Any amount repaid under this provision may be adjusted for any increase or decrease in the investment values of the strategy you are invested in for that period. Where your contributions are subject to preservation requirements, these must be rolled over to another complying super fund. If the nomination by you cannot be effected, or if the Trustee cannot contact you, your benefit may be transferred to an eligible rollover fund.

Enquiries and Complaints Procedure

If you have any enquiries about the ARARF or your membership account, please contact ARA, the Promoter in the first instance. Their contact details are shown on the front cover of this PDS. Where you are not satisfied with the response to your enquiry, please detail your concerns and requested outcome in writing and forward to ARA who will classify your enquiry as a complaint and aim to resolve it with the Trustee within 90 days. ARA may contact you to request a meeting, which they will generally host in their office. Alternatively, the Trustee may contact you directly. If you are not satisfied with the outcome of this process after the 90 day period, you may lodge your complaint with the Australian Financial Complaints Authority (AFCA). You can contact AFCA at the following:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Telephone: 1800 931 678 Email: info@afca.org.au Internet: www.afca.org.au