

EISS Super

How we invest your money 1 July 2016

The information in this document forms part of the EISS Super PDS dated 1 July 2016.

EISS Super offers you a selection of five (5) investment options each with a different level of exposure to growth assets, such as Australian and international shares and defensive assets, such as fixed income and cash. The investment options have been designed to offer you different potential rates of return, degrees of volatility and varying risk to suit your individual circumstances.

The investment options are:

- High Growth;
- Diversified;
- MySuper Balanced;
- Capital Guarded; and
- Cash.

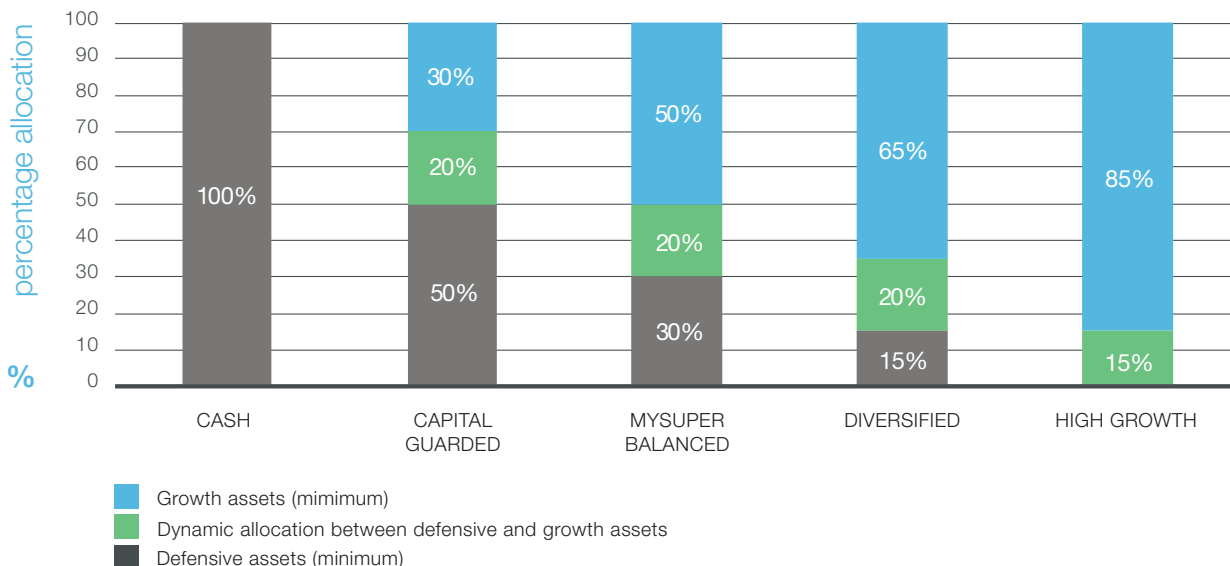
You can also invest via the Direct Investment Option which provides you with even more flexibility and choice in managing your super, with access to shares listed on the S&P/ASX 300 and term deposits.

The EISS Board and Investment Committee have set the investment policy which provides the framework within which the investment options are managed. The investment policy provides broad guidance relating to the oversight and management of the investment options and is designed to provide sufficient flexibility recognising the dynamic nature of the investment environment, while setting reasonable parameters to ensure prudence and care in the implementation of the investment strategies for the investment options.

The table below shows the varying levels of exposure to defensive and growth assets for each investment option, including the range that is 'dynamic' and may be invested in either defensive or growth assets.

Please note, if you do not make an investment election, your super will be invested into the MySuper Balanced investment option.

EISS Super investment options – asset allocation








The power of a good fund

EISS Super Investment Options

	High Growth	Diversified	MySuper Balanced	Capital Guarded	Cash
Investment return objective	This option aims to achieve a return of CPI + 4% pa over 10 years (after fees and taxes).	This option aims to achieve a return of CPI + 3% pa over 7 years (after fees and taxes).	This option aims to achieve a return of CPI + 2.5% pa over 5 years (after fees and taxes).	This option aims to achieve a return of CPI + 1.75% pa over 5 years (after fees and taxes).	This option aims to achieve a return of CPI + 0.25% pa over 1 year (after fees and taxes).
Description	This option invests a very high proportion in growth assets such as Australian and international equities, property and private equity. This option is designed for members who expect to have their super invested for at least 10 years and who are willing to accept fluctuations in returns over the short to medium term.	This option invests a high proportion in growth assets such as Australian and international equities with the balance invested in defensive assets such as fixed income. This option is designed for members who expect to have their super invested for at least 7 years and who are willing to accept fluctuations in returns over the short to medium term.	This option invests a predominant proportion in growth assets such as Australian and international equities, with the balance invested in defensive assets such as fixed income. This option is designed for members who expect to have their super invested for at least 5 years and who are willing to accept fluctuations in returns over the short to medium term.	This option invests a moderate proportion in growth assets such as Australian and international equities, with the balance invested in defensive assets such as fixed income. This option is designed for members who expect to have their super invested for at least 5 years and who are willing to accept fluctuations in returns over the short term.	This option invests predominantly in short-term Australian money market assets. This option may suit members who expect their super to be invested for the short term.

Strategic Asset Allocation*

Growth assets					
Australian equities	33% (20 – 50%)	25% (15 – 35%)	18.5% (5 – 30%)	9% (0 – 20%)	–
International equities	36% (15 – 60%)	24.5% (10 – 45%)	17.5% (5 – 30%)	10% (0 – 25%)	–
Infrastructure	5% (0 – 30%)	5% (0 – 20%)	4% (0 – 20%)	3% (0 – 20%)	–
Property	6% (0 – 30%)	8% (0 – 20%)	5% (0 – 20%)	5% (0 – 20%)	–
Growth alternatives	10% (0 – 25%)	10% (0 – 20%)	14% (0 – 20%)	13% (0 – 20%)	–
Private equity	5% (0 – 10%)	2.5% (0 – 10%)	0% (0 – 10%)	0% (0 – 10%)	–
Total	95% (85 – 100%)	75% (65 – 85%)	59% (50 – 70%)	40% (30 – 50%)	0%
Defensive assets					
Fixed income	4% (0 – 10%)	14% (0 – 30%)	20% (5 – 35%)	30% (15 – 45%)	–
Defensive alternatives	0% (0 – 10%)	7% (0 – 15%)	11% (0 – 20%)	15% (0 – 30%)	–
Cash	1% (0 – 10%)	4% (0 – 10%)	10% (0 – 20%)	15% (0 – 30%)	100%
Total	5% (0 – 15%)	25% (15 – 35%)	41% (30 – 50%)	60% (50 – 70%)	100%
Minimum timeframe	Long term – at least 10 years	Long term – at least 7 years	Medium to long term – at least 5 years	Medium to long term – at least 5 years	No minimum
Level of investment risk**	 <p>High risk. The estimated number of negative returns in a 20 year period is 4.9.</p>	 <p>Medium to high risk. The estimated number of negative returns in a 20 year period is 3.9.</p>	 <p>Medium risk. The estimated number of negative returns in a 20 year period is 2.9.</p>	 <p>Low to medium risk. The estimated number of negative returns in a 20 year period is 1.7.</p>	 <p>Very low risk. The estimated number of negative returns in a 20 year period is nil.</p>

*The Strategic Asset Allocation may change from time to time within the asset class ranges shown above.

**For more information, please refer to the 'Level of investment risk' section on page 3.

Level of investment risk

The Standard Risk Measure (SRM) is based on industry guidance to allow you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail the size of a negative return or the potential for a positive return to be lower than a member requires to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

You should ensure that you are comfortable with the risks and potential losses associated with your chosen investment option(s). Below is a table that outlines the labelling used in the SRM:

Strategic Risk Measure

Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

Default investment option

If you do not make an investment election, your super will be invested in the MySuper Balanced investment option.

Changing your investment option

You can switch to a different investment option at any time. You can switch your investment option online by logging into your MemberAccess account at eisuper.com.au or by completing a 'Changing investment option' form which is available at eisuper.com.au or from Member Services.

Review of investment options

We regularly review the investment options and may from time to time make changes e.g. to the asset allocation ranges, the assets and the investment objectives. Where material changes are made to the options, we will notify members either via the website, in the EISS Annual Report or by writing to you directly.

Ethical investing

We have an obligation to our members to seek to grow their retirement savings over time. One of the means by which we try to achieve this objective is to encourage our investment managers to incorporate environmental, social and governance (ESG) considerations into their investment decision making processes.

We do not take into account any specific labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments in any of the investment options. However, there is an expectation that the chosen investment managers will consider such issues when investing.

Energy Investment Fund (EIF)

EIF is a wholesale investment trust through which the majority of the assets of the Scheme are invested. The trustee of EIF is EIF Pty Limited, a wholly owned entity of the Scheme.

We, through our ownership of EIF Pty Limited, are responsible for selecting and managing the investment managers which collectively manage the assets of EIF.

We adhere to the guiding principle that several carefully selected investment managers will over any reasonable period, produce:

- greater consistency;
- lower volatility and risk; and
- better results.

Diversification

The assets are allocated to a range of investment managers, which ensures diversification of both investments as well as investment managers. The actual investment managers used to manage the assets of EIF will change from time to time, as will the value of the assets that they manage. Updated details will be provided in the EISS Annual Report.

Investment returns in recent years

Up-to-date information about the investment returns for each investment option will be set out in the EISS Annual Report. Information about recent investment performance is also available at eisuper.com.au or by contacting Member Services. You should be aware that past performance is not a reliable indicator of future performance.

Unit pricing

When you invest in one of our investment options units will be issued to you. The number of units issued will be dependent on the amount you have to invest and the unit price on the date of investment. Similarly, when you exit a particular investment option (either because you have switched investment options, requested a benefit payment or rolled-over your benefits), the value of the amount withdrawn from the investment option is dependent upon the unit price on the date of withdrawal.

We adopt a policy of forward unit pricing for most transactions, provided that all relevant information is available to us. This means that the unit price for a particular Business Day (the 'Valuation Date') is the net asset value of the investments on that day divided by the total number of units on issue on that day. The net asset value is the valuation of assets in the investment option as determined on the 'Valuation Date' after allowing for fees, taxes and other costs.

With a policy of forward unit pricing, the unit price on a particular day is not known at the time a transaction, such as a contribution, switch or withdrawal is submitted but is subsequently calculated once the valuation is complete. This means that for transactions that have time constraints, such as full benefit payments and rollovers, forward unit pricing may not be able to be used. In such cases, the latest available unit price is used.

There may be times when unit prices are not able to be calculated on a particular day because it is not practical to value the units on that day. For example, this may occur in times of extreme market volatility or at the end of a financial year. If unit prices are not calculated on a particular day, we may either suspend transactions or use the latest available unit price.

Unit prices may rise as well as fall. Unit prices may fluctuate on a daily basis in line with changes in the market value of the assets held in an investment option. We do not guarantee the repayment of capital or any particular rate of return.

Please note a 'Business Day' is a day that the Australian Securities Exchange is open for trading in Australia.

Asset description and reporting

The description and reporting of asset classes, asset allocations, investment options and returns in this document include the use of derivatives.

Direct Investment Option

The Direct Investment Option (DIO) is ideal for members who wish to become more actively involved in managing their own super. DIO offers access to shares listed on the S&P/ASX 300 and a selection of term deposits.

You will have access to the following features to enable you to manage your account:

- online reporting;
- online trading; and
- up to date market and investment information.

DIO Provider

DIO is provided through Macquarie Investment Management Limited (MIML), ABN 66 002 867 003, AFSL 237492. Other than as expressly described in relation to the DIO Cash Account and Macquarie Bank Term Deposits which are deposits with Macquarie Bank Limited, ABN 46 008 583 542, AFSL 237502, neither Macquarie Bank Limited, Macquarie Investment Management Limited nor any member of the Macquarie Group (Macquarie) guarantees the performance, the repayment of capital or any particular rate of return of the investments purchased through the DIO.

DIO at a glance

Description	DIO allows you to invest a proportion of your super in your choice of: <ul style="list-style-type: none">■ shares that form part of the S&P/ASX 300; and■ term deposits.
Objective	To provide members with greater investment choice and flexibility for their super.
Risk level	The level of risk differs for shares and term deposits. This risk also varies between individual shares and your overall investment mix. <ul style="list-style-type: none">■ As a general rule, these are the risk levels for each direct investment option:■ term deposits: Very low – Risk band 1*■ shares in S&P/ASX 300 Index: Very high – Risk band 7*
Minimum timeframe	As a guide the minimum suggested timeframes to invest in the DIO are: <ul style="list-style-type: none">■ term deposits: 12 months or less; and■ shares listed on the S&P/ASX 300 Index: 7 to 10 years.

*The level of investment risk is based on statutory reporting standards. Please refer to 'Level of investment risk' on page 3.

Eligibility for DIO

To invest in DIO you must:

- be a member of EISS Super with at least \$10,000 in your account;
- maintain a minimum of \$3,000 in an EISS managed investment option(s);
- have access to the internet and provide us with your current email address*;
- invest no more than 20% of your total account balance in any single ASX listed security;
- invest no more than 80% of your total account balance in DIO; and
- maintain a minimum balance of \$500 in your DIO Cash Account plus enough money to cover the purchase of any new investments and any applicable fees.

*This is so that you can receive communications about your investments within the DIO, such as term deposit maturity reminders or corporate action notices. If your email address becomes invalid, your ability to buy and sell securities through MemberAccess won't be affected, however, you may miss out on receiving important information about your investments. For this reason you should ensure that the email address you have provided remains current and valid.

How to invest in DIO

Once your EISS Super account is established you can invest in DIO. Access to DIO is via MemberAccess at eisuper.com.au. MemberAccess provides you access to a secure portal which you use to transact, check the value of your investments and access information regarding your DIO account.

All requests to buy or sell shares or term deposits must be entered online via MemberAccess.

Once you have transferred your money to your DIO Cash Account, you can start trading. Please note the following minimums:

- the minimum trade for shares is \$500; and
- the minimum investment for term deposits is \$5,000 and the maximum investment for a term deposit is \$1,000,000 per member.

For information on the fees and costs applicable to DIO, please refer to the 'EISS Super Fees and costs' important additional information document available at eisuper.com.au.

DIO Cash Account

Your DIO operates with a central Cash Account. The DIO Cash Account will be utilised as a transactional account and will be used to:

- settle payment for the purchase of shares or term deposits;
- receive dividends and sale proceeds from shares;
- receive maturities from term deposits; and
- settle any tax payable applicable to your investment in DIO.

The DIO Cash Account is held through the Scheme's custodian with Macquarie Bank Limited ABN 46 008 583 542. Please contact us if you would like information on how the Federal Government's Financial Claims Scheme may apply to the DIO Cash Account.

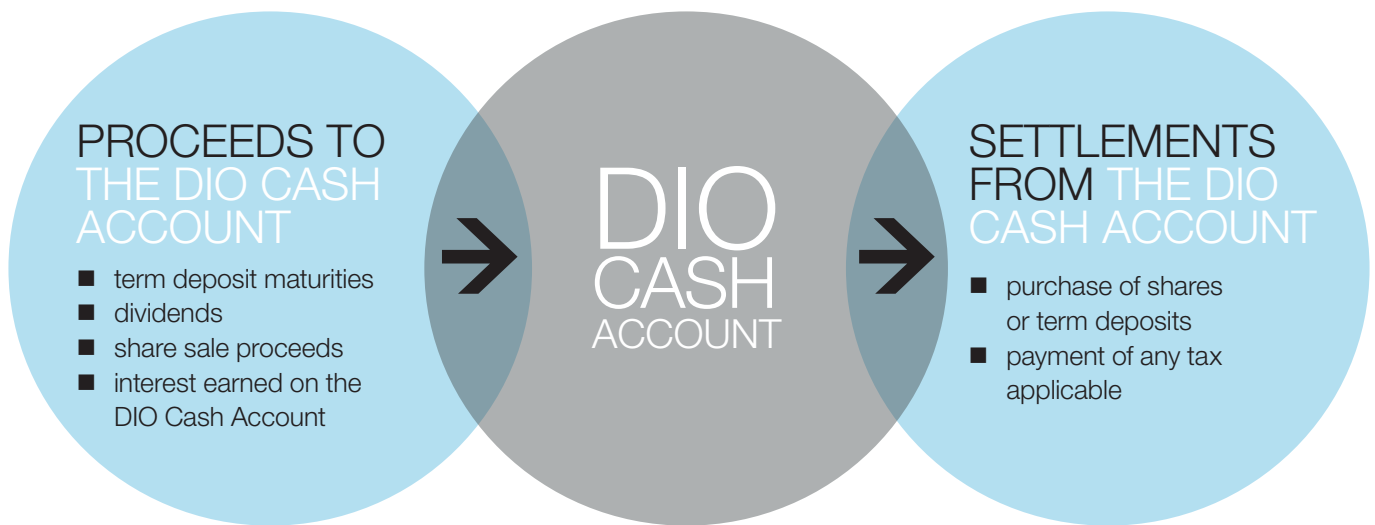
Minimum DIO Cash Account balance

You must maintain a minimum balance of \$500 in your DIO Cash Account. If your DIO Cash Account falls below this amount we will notify you by email.

Interest on your DIO Cash Account

The interest earned on your DIO Cash Account will be calculated daily and paid into your DIO Cash Account on a monthly basis in arrears on or around the first business day of the month. Details of the applicable interest rate is available online. The interest rate that applies to your DIO Cash Account is set by Macquarie* and can vary on a daily basis. Accordingly, there is no guarantee of a particular rate of interest being earned.

*Macquarie means any member of the Macquarie Group.



Term deposits

Term deposits are investments with an interest rate that is fixed for a nominated term. These investments are held at a financial institution – bank, building society or credit union for an agreed rate of interest over a fixed amount of time. Investments in term deposits are also subject to the Term Deposit Terms and Conditions for the applicable term deposit provider. The Term Deposit Terms and Conditions are available online via MemberAccess. The following table provides you with more information about investing in term deposits:

Term deposits

How do I invest?	You can invest into a term deposit via DIO. You must have sufficient cash available in your DIO Cash Account before you can purchase a term deposit.
Minimum and maximum term deposit amount	The minimum investment in any term deposit is \$5,000. The maximum investment in any term deposit is \$1,000,000 per member.
Available terms and interest rates	<ul style="list-style-type: none"> ■ 1 month; ■ 3 months; ■ 6 months; and ■ 12 month terms. <p>Interest rates are available via MemberAccess and interest rates will vary from time to time*. The interest rate earned on a term deposit will be fixed for the term of the deposit.</p>
How we action your application for a term deposit	<p>Applications for term deposits received by midnight (Sydney time) on a business day will be invested the following business day, provided you have sufficient funds in your DIO Cash Account. The funds will be deducted from your DIO Cash Account on the day the application is made to the issuer of the term deposit.</p> <p>You must have sufficient funds in your DIO Cash Account at the time of making your application and at the time your application is processed. If you do not have sufficient funds to purchase a term deposit and leave at least \$500 in your DIO Cash Account, your request will not be processed. You will need to transfer money to your DIO Cash Account and make your application again. Your investment will be pooled with other investors' funds who wish to invest for the same term.</p>
Upon maturity of the term deposit	<p>Generally, the principal and interest are credited into your DIO Cash Account when a term deposit matures. If you have elected to reinvest into a new term deposit, an automatic application into the new term deposit will be created for the same term, from the same issuer, showing the amount specified (that is, principal only or principal and interest). This means that:</p> <ul style="list-style-type: none"> ■ your principal and interest from the maturing term deposit will initially be credited to your DIO Cash Account and tax will be deducted; ■ an application into the next term deposit will be visible online; ■ your available DIO Cash Account balance will reduce by the amount you are reinvesting; ■ the funds will be deducted from your DIO Cash Account at the date of the next commencement date for the new term deposit; and ■ if there is insufficient money in your DIO Cash Account at this time, the new application will not proceed. <p>Note the following newly purchased term deposits will default to a maturity election of 'cash out':</p> <ul style="list-style-type: none"> ■ maturity elections must be made at least one business day prior to maturity; and ■ there must be sufficient cash in your DIO Cash Account to cover the rollover amount (either principal or principal and interest) for the rollover to proceed; and ■ rollovers of principal and interest may not proceed if the deduction of earnings tax will reduce your available cash in your DIO Cash Account below the value of the principal and interest and \$500.
Rollover instructions receipt	If you wish to rollover your term deposit your instruction must be received by us online (or cancelled) one (1) business day prior to the maturity of the term deposit (up to 5pm AEST).
Interest earned	Interest earned on your term deposit is payable at maturity of the term deposit. Upon maturity any tax payable on the interest will be deducted from your DIO Cash Account. Where applicable, tax will be deducted at the rate of 15%.
Online access	You can track your term deposits online through MemberAccess at eisuper.com.au.
Accessing term deposits	<p>A request to break a term deposit prior to the agreed maturity is subject to the approval of the Term Deposit provider and the Terms and Conditions available online via MemberAccess.</p> <p>More information about accessing term deposits can be found on page 8.</p>

*Interest rates are indicative until your order is confirmed by the term deposit provider. In ordinary circumstances you will receive the published rate on the day of your application. Applications close at midnight (Sydney time) on a business day and commence the following business day.

Accessing term deposits

Compulsory break

There may be an occasion where we are required to break an investment in the term deposit option. Where a member has insufficient funds from which to draw any DIO administration fees, we will provide five (5) days advance written warning that, to avoid a compulsory break, we must receive adequate funds or specific instructions. If no payment or instruction is received, we must break the full value of that term deposit and transfer proceeds to the DIO Cash Account, ensuring fees, charges and tax payments attributable to your account are met.

Voluntary break

You may be able to break a term deposit if you need to withdraw funds or change your investment strategy. You will be required to provide a written request, detailing the reason for your break. By investing in a term deposit you acknowledge that we may use our discretion in determining the validity of your request and reserve the right to reject it.

A request to break a term deposit prior to the agreed maturity is subject to the Term Deposit Terms and Conditions available online via MemberAccess. If you request to break a term deposit in DIO prior to the agreed maturity, the term deposit provider will charge a fee or reduce the interest you receive. They will also require a notification period which, combined with processing times, will result in a significant time before you can access your funds. More information on the relevant term deposit breaking fee is available online via MemberAccess.

Who owns the term deposits in DIO?

Any term deposits held through the DIO are legally owned by EISS as trustee. While you receive the benefits of investing in term deposits, you do not have any direct rights or interests in any of the term deposits in which you are invested.

The term deposits offered through DIO are held through EISS's custodian with the term deposit issuer(s).

Please contact us if you would like information on how the Federal Government's Financial Claims Scheme may apply to term deposits.

Shares

Through DIO you are able to access the securities that form part of the S&P/ASX 300. Companies listed on the S&P/ASX 300 cover a wide selection of sectors, including:

- materials;
- financials;
- information technology;
- industrials;
- telecommunications;
- health care;
- utilities;
- consumer staples; and
- consumer discretionary.

The trading of listed securities is subject to the Trading Terms and Conditions, including the rules and regulations of the Australian Securities Exchange (ASX) and Australian Securities and Investments Commission (ASIC). The Trading Terms and Conditions can also be found online via MemberAccess at eisuper.com.au. The table below provides you with more information on trading shares:

Trading shares

Trading days	Generally, you will be able to trade shares every day that the ASX is trading.
Placing orders	When you place a buy or sell order, you will be required to select an order type of 'at market' (also known as Market-to-Limit orders)* or 'at limit**'.
Execution of orders	Execution of orders through Macquarie is subject to a best execution policy**. Any orders that you request will generally be placed on market once confirmed online. This means that if it is an ASX trading day and your order is confirmed online between 10am and 4pm (AEST) it will generally be placed on market as soon as possible, within a maximum of two hours, where there is an available and orderly market for that share.
Confirming orders	You can view confirmation for each transaction online via MemberAccess at eisuper.com.au .
Settlement of orders	Settlement will usually occur on a trade date + 2 business days (T + 2) and your DIO online account will reflect the T + 2 settlement.
Minimum trade amounts	The minimum trade amount is \$500 for both buying and selling shares. If the value of your holding falls below \$500 you are able to sell those shares.

*'At market' orders are orders that will be traded at the best available buy or sell price at the time the order is placed. Where those orders are only partially filled, the remainder will be placed 'at limit', at the partially executed price and members will be responsible for amending/cancelling the remainder of the order. 'At limit' orders are orders to buy shares at a specific price. You will be required to enter the limit price. An order placed 'at limit' will seek to complete only if the specified or 'limit' price is reached for your buy or sell order.

All orders are subject to ASX rules and orderly market considerations. For more information on orders and trading, click on the Important Information link at the bottom of any page of the website to view the Trading Terms and Conditions.

**The best execution policy is in place to ensure that Macquarie takes all reasonable steps to deliver the best outcome for each member in relation to the execution and allocation of client orders. This policy is available at macquarie.com.au/melbestexecution or by calling Member Services.

More information on trading and settlement of shares

- Orders can remain on market: for 'today only' or 'until cancelled'. Today only orders are valid for the business day on which they are placed and will expire before the market opens on the next business day. If your order is placed with the Authorised Broker after market operating hours, it will go on market the next business day and will expire before the market opens again on the business day after the order went on market.
- 'Until cancelled' orders will expire after 22 business days of the order being placed if it has not been executed on market or cancelled by you. If the security is suspended from trading, orders will not be placed on market until the suspension is lifted. However the above expiry timeframes will still apply regardless of whether or not the security is suspended.
- In certain circumstances, a trade that you have requested may be delayed or unable to be placed at all. In this event, the Authorised Broker must act in accordance with specific Rules that may not allow the trade to be placed either in part or in full.

Orders may not complete, or may be purged from the market by the Relevant Exchange or by the Authorised Broker, subject to the Rules including, without limitation, where:

- the Rules prevent its completion;
- there is no market for that security;
- there has been a suspension or other trading halt on that security;
- a Market-to-Limit (or 'at market') order is going to cause a significant change to the market price or trade volumes;
- the price at which an order is placed is deemed to be too far from the prevailing market price by the Relevant Exchange or Macquarie;
- a security is quoted "Ex" (as defined by the Relevant Exchange) for the purpose of determining an entitlement to shares, an offer to shareholders, a distribution payment or for any other reason;
- the trade has been executed in error;
- the trade will or is likely to interfere with the integrity or orderly nature of the market in any way;
- if the basis upon which quotation on the Relevant Exchange is based has changed;
- the security has been removed from official quotation on the Relevant Exchange;
- the trade is likely to result in a breach of the law or the Rules;
- the order expires (if it has not been executed or cancelled within 22 Business Days of your request being processed);
- the order has been "purged" in accordance with the Rules;

- a trading restriction is imposed on Macquarie;
- there has been a disruption in the operation of the Relevant Exchange; or
- the Relevant Exchange determines the order should be purged for any reason whatsoever.

Please note, that trading in S&P/ASX 300 listed securities is subject to the rules, regulations, customs and practices of ASIC and the ASX (the 'Rules'), and that the operation of the service is subject to those Rules.

When you invest in S&P/ASX 300 listed securities through DIO, you will not receive contract notes as the securities are legally owned by the Scheme. Listed securities are valued at their last available trading price on the ASX.

For further details, please refer to the Trading Terms and Conditions, available via MemberAccess at eisuper.com.au.

Who owns the shares when they are purchased in DIO?

Any shares which you purchase through DIO are legally owned by EISS as trustee. While you will receive some benefits of owning the shares, such as dividend payments, franking credits and capital gains, you do not have any direct rights or interests in any of the shares purchased or held through DIO.

Valuing shares

Shares are valued at their last available trading price on the ASX.

What happens when shares which you hold fall outside of the S&P/ASX 300?

Where any shares you hold fall outside of the S&P/ASX 300, you may continue to hold those shares (and receive dividends and act on any corporate actions) but may not purchase any more of the particular share which is outside of the S&P/ASX 300. You are able to sell your shares (subject to an available market and orderly market considerations). If a security delists from the ASX, you may be required to sell it. If you fail to sell the shares within the required timeframe, we may be required to sell the shares on your behalf.

Dividend payments

Dividend payments will generally be credited to your DIO Cash Account within a few days of the payment date, which is the date on which a company's dividend is paid to shareholders.

Dividend reinvestment

A Dividend Reinvestment Plan (DRP) may be available for a number of shares. A DRP allows you to elect for your dividend payments to be reinvested into that share (effectively purchasing more shares). In this situation, you will receive additional shares instead of cash to your DIO Cash Account.

In usual circumstances, if you do not make an election, your dividends will be credited to your DIO Cash Account.

Any tax on dividends which are reinvested will be deducted from your DIO Cash Account.

DRP elections can be made or changed any time once you hold the shares. Any election must be made seven (7) days before the shares become ex-dividend for it to take effect for that dividend. No brokerage applies for shares purchased through a DRP.

You can elect to set up your DRP nomination via MemberAccess at eisuper.com.au.

Corporate actions

If a security you hold is affected by a corporate action, you may be able to make an election and participate in the corporate action. For some corporate actions no election is required, you will not be notified and you will automatically participate in the corporate action e.g. bonus issues or name change. For other corporate actions an election will be required in order to participate. You will only be able to participate in certain types of corporate actions, as approved by EISS.

When a corporate action arises in which you are eligible to take part, you will receive an email alert prompting you to log into your DIO account. From there, you will be able to view the corporate action details and where applicable make an election.

Before making your election you need to:

- read the offer documents relating to the corporate action. These documents are accessed by clicking on the "Info" button on the corporate action elections screen.
- where applicable, ensure you have sufficient available cash in your DIO Cash Account to carry out your election. If there is insufficient available cash to carry out your election, no further action will be taken and you will not be able to participate in the offer.

Your election must be made before the close date of the corporate action. The close date will be published in the email we send you and online in your DIO account. If you do not make an election, the corporate actions nominated default option (as defined under the terms of the corporate action) will apply to you. This may be to take no action and could result in a forfeiture or loss of securities, entitlements or consideration due.

If a corporate action results in you holding securities that are outside the S&P/ASX 300, you may continue to hold that security (and receive dividends and act on corporate actions on it), but you may not purchase more of it.

When deciding whether to participate in the corporate action consideration should be given to the taxation consequences, your personal circumstances and future obligations that may arise as a result of the corporate action.

Provision of the corporate action election is not a recommendation for participation. The corporate action offer documentation is general information and does not take account of your personal circumstances.

If you do not make an election, EISS will generally choose not to participate in corporate actions which involve an election, for example off-market share buy-backs or rights issues.

More information about the stock market

It is important to remember that shares are a high risk investment strategy. We recommend that you seek professional financial advice before making an investment decision. You can learn more about the stock market via the ASX website, asx.com.au.

Transferring from EISS Super to EISS Pension

If you are considering commencing an EISS Pension (whether you wish to transition to retirement or retire) you may be able to transfer your EISS Super DIO account to an EISS Pension DIO account without having to close your account.

If you are able to transfer your DIO account, you will not have to sell your investments. The benefits of a transfer may include:

- no liability for capital gains tax on unrealised gains on assets transferred and subsequently sold;
- no 'out of market risks' associated with selling and repurchasing investments; and
- the avoidance of brokerage costs and early redemption fees.

Further details are included in the EISS Pension PDS and at eisuper.com.au.

Closing your DIO account

If you wish to close your DIO account you must first sell all of your investments and the proceeds must be credited to your DIO Cash Account.

Annual taxation adjustments

Individual tax processing within your DIO account helps you benefit from your individual investment decisions. Depending upon your circumstances, you may benefit from certain Capital Gains Tax (CGT) treatment and franking credits from your investments.

You may receive franking credits, benefits from capital losses and other related tax adjustments as part of annual tax calculations. Any annual taxation adjustment for the tax year ending 30 June will occur after the Scheme's tax position has been determined. Typically, these adjustments will result in credits to members for the value of franking and any other tax credits, capital losses and other related tax adjustments referable to the income and trading of the member.

You will be charged tax progressively at 15% on your gross income derived from investments. Tax will also be charged on capital gains derived from your investments.

Capital gains

If you realise a capital gain during the financial year, we will adjust your account for tax on the disposal that gave rise to the capital gain.

Capital losses

As part of calculating your annual tax adjustment, capital losses on the disposal of your assets will be applied against capital gains that you may have derived. To the extent that you have a net capital loss situation (that is, the overall capital losses exceed the overall capital gains derived on your investments), as part of the end of financial year tax adjustment we may either:

- pay a capital loss benefit for all or part of your net capital loss. If a capital loss benefit is paid, the rate at which the benefit is paid will be determined annually and vary between 10-15% of the portion of the net capital loss subject to the benefit; or
- carry forward the net capital loss (to the extent that a capital benefit has not been paid to you on this loss) so that it can be utilised in future end of financial year tax adjustments.

The ability to pay you a capital loss benefit will depend on the overall capital gain position of DIO and/or the Scheme.

Receiving applicable tax benefits of income, franking credits and tax adjustments

Any adjustments applicable to member accounts will be processed as part of the end of financial year processing, expected to occur by December each year. We will credit the total of any franking credits and relevant tax adjustments during the year in one amount.

To receive the applicable franking credits you must be an EISS Super member when the end of financial year processing occurs. Alternatively, at the time you request to close your DIO account, you may request that we calculate how much tax you need to pay as well as any amounts you may be owed. Please note, a one-off fee applies to this type of request, as outlined in the EISS Super 'Fees and costs' important additional information document available at eisuper.com.au.

If you are eligible to receive franking credits after the end of financial year processing but you are no longer invested in DIO, the applicable tax credits will be allocated to your EISS Super account in proportion to your existing investment options.

If you have transferred from EISS Super to EISS Pension during the financial year and you are eligible to receive franking credits after the end of financial year processing, the benefit of any applicable tax credits will be credited to your EISS Pension account.

If you are eligible to receive franking credits after the end of financial year processing but you are no longer a member of EISS Super, you will lose the benefits of any applicable tax credits. The benefit of any tax credits will be retained by the Scheme.

For your investments in listed securities to be eligible for any franked credits, your investment in the listed company or trust must have been held for at least 47 days including the date the share goes ex-dividend or such longer period as may apply in respect of a particular security.

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