

DEFENCE BANK SUPER TERM DEPOSITS

Supplementary Defence Bank Products and Services

Effective date 27 June 2019



Defence Bank

This Supplementary Product Disclosure Statement (Supplementary PDS) outlines the changes to be made to the current Defence Bank Super Term Deposit Product Disclosure Statement (PDS) dated 27 November 2013 as a result of:

- The creation of a new external dispute resolution (EDR) body called the Australian Financial Complaints Authority (AFCA) which has replaced the Superannuation Complaints Tribunal (SCT). referenced on page 4; and
- Update our Privacy details on page4; and
- The removal of the Mutual Banking Code of Practice reference on page 2; and
- A reduction in our ‘Early Term Deposit Penalty’ on page 3

If you require a copy of the PDS, you may obtain this from our website or by contacting our Contact Centre on 1800 033 139.

The following changes are made to the PDS:

1. OUR COMPLAINTS AND DISPUTES RESOLUTION PROCESS

The statements contained in the section headed ‘Complaints and disputes resolution process’ (page 4 of the PDS), are removed and replaced with the following disclosure:

Defence Bank is committed to providing Members with the best possible service. If at any time you feel we have not met our obligations – or you have a complaint about the Defence Bank Super Term Deposit – please inform us so we can work towards a resolution. We will endeavour to deal with your complaint promptly, effectively and fairly.

How to make a complaint

If you have a complaint, we request you follow these steps:

In the first instance:

- by calling Defence Bank on 1800 033 139, or
- visiting your local branch; or,
- emailing investments@defencebank.com.au

If you are still not satisfied with the resolution of your complaint, you may contact Defence Bank's Complaints Officer by:

- Emailing: info@defencebank.com.au (Attention to the Complaints Officer), or writing to:

The Complaints Officer

Defence Bank
PO Box 14537
Melbourne VIC 8001

Keeping you informed

If a staff member cannot resolve the complaint to your satisfaction within 5 business days, we will acknowledge receipt of the complaint to you in writing and we will also advise the procedures we will follow in investigating and handling your complaint.

During the time that a complaint is under further investigation we may also contact you to request further information to assist us in completing our review.

In the majority of cases you will be advised of the outcome of our investigation and the reason(s) for our decision in writing within 21 days. Should there be exceptional circumstances causing a delay, we will inform you that more time is required and provide reason(s) for doing so. In these circumstances, it is our expectation that your complaint should be resolved within a maximum of 45 days from the date you lodged the complaint with us.

Still not satisfied?

If you are not satisfied with our final response, you may lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Mail: Australian Financial Complaints
Authority

GPO Box 3, Melbourne VIC 3001

Time limits may apply in respect of any complaint made to AFCA so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires. You should also note that if our internal dispute resolution process is still in progress, AFCA may request that our internal review be completed before considering your complaint any further.

2. PRIVACY

The statements contained in the section headed 'Privacy' (page 4 of the PDS), are removed and replaced with the following disclosure:

As a member of Defence Bank Super you will be protected by our Privacy Policy, that of the Administrator and the Trustee. This means that we only collect information that is necessary for the efficient operation of the Fund and as required by law. On occasion, and as required by legislation, certain information must be passed on to various regulatory bodies to ensure that you receive all the benefits to which you are entitled. All parties involved in these transfers of information are also subject to the privacy requirements.

A copy of the Defence Bank's privacy policy is available at **www.defencebank.com.au/privacy**

A copy of the Administrator's Privacy Policy can be viewed at **www.mainstreamgroup.com** or you may call the Administrator on **03 9691 2944** to have a copy mailed to you.

A copy of the Trustee's Privacy Statement can be viewed at www.eqt.com.au/global/privacystatement, or is also available on request by contacting the Trustee.

3. MUTUAL BANKING CODE OF PRACTICE

Remove the Mutual Banking Code of Practice section on paragraph on page (4).

4. EARLY TERM DEPOSIT PENALTY (INTEREST RATE REDUCTION)

Under the heading of Fees, Charges and Commissions on page 3 we have made reduced our '**early term deposit penalty**' interest rate reduction from 2% of the accrued interest to now 1% of the accrued interest, and as such the following section is to apply:

Early withdrawals If you wish to close your Term Deposit before the maturity date, you must provide us with 30 days notice. Interest will be calculated from the date the Term Deposit was opened to the date the Term Deposit is closed (inclusive of the 30 day notice period), less the interest rate reduction specified below:

<i>Term</i>	<i>Rate reduction</i>
<i>1 Year</i>	<i>1%</i>
<i>2 Years</i>	<i>1%</i>
<i>3 Years</i>	<i>1%</i>

This ends the supplementary disclosure to the Defence Bank Super Assured Super Term Deposit Product Disclosure Statement – Version Effective from 27 June 2019.

WE'RE HERE TO HELP

It's easy and convenient to contact us.
Here's how:



1800 033 139 (8am to 8pm AEST weekdays)



visit your local Defence Bank branch



defencebank.com.au



info@defencebank.com.au

Defence Bank Limited

ABN 57 087 651 385 AFSL/Australian Credit Licence 234582
Head Office, Level 5, 31 Queen Street
Melbourne VIC 3000

RSAPDS (06/19)



Defence Bank

Defence Bank Super Term Deposits

Product Disclosure Statement (PDS)
Prepared 27 November 2013
Version 2



Super made easy

Defence Bank Super Term Deposits

This Product Disclosure Statement (PDS) provides information about the Defence Bank Super Term Deposit (Term Deposit). The primary purpose of this PDS is to assist you make an informed decision as to whether to open a Defence Bank Term Deposit.



What you need to know

This PDS should be read in conjunction with Defence Bank Super PDS and fact sheet before making a decision to acquire this Product.

Any advice contained in this PDS has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this PDS, you need to consider whether it is appropriate for your objectives, financial situation or needs.

Mutual Banking Code of Practice

Defence Bank complies with the Mutual Banking Code of Practice. The relevant provisions of that Code apply to the Defence Bank Super Term Deposit to the extent to which they are not inconsistent with the provisions of the Corporations Act 2001 (Cth).

Term Deposit Investment Options

Whether you are in 'Accumulation', 'Transition to Retirement' or taking a 'Pension' you can invest in the Defence Bank Super Term Deposits. The Term Deposits are fixed interest earning accounts, with agreed terms ranging from 1 year to 3 years. Interest is guaranteed for the period of the agreed term subject to you accepting our conditions of minimum and maximum deposit, fixed period of investment with no withdrawals from the principle or additional deposits during the agreed term.

Once you have opened a Defence Bank Super account and you meet the **conditions*** you can invest in the following options:

- » 1 Year term
- » 2 Year term
- » 3 Year term

Term Deposit Minimum & Maximum

To cover ongoing costs, pensions & insurance (where applicable), there are limits on the maximum purchase amounts for a term deposit.

A minimum of \$10,000 is required to purchase a term deposit.

A retained balance calculated as:

- » \$50,000 Investment balance
- » *Plus* estimated administration/member fees over the term (if applicable)
- » *Plus* estimated insurance premiums over the term (proportional to annual premium charges)
- » *Plus* pension payments (at current level) due to be paid during the term
- » *Plus* additional member fee (\$17 per month) over the term

If your balance is below the above, your request to purchase a term deposit may be denied.

Maturing Term Deposits

Upon maturity of a Term Deposit, you will have the following options to choose from:

- » close the Term Deposit and transfer all funds to the your investment choice
- » reinvest the principal only in another Term Deposit with the same term and transfer the interest to the investment option.

Where there are no maturity instructions, we will transfer the full balance of the term investment, including interest, to the account which will be invested in accordance with the selected investment profile.

If your Term Deposit matures on a weekend or a Victorian public holiday, your Term Deposit will redeem on the next business day.

* Footnote?

Interest

Interest is calculated daily and will be allocated to your account monthly and upon maturity and will be invested in accordance with your investment profile.

Interest Rates

A table of interest rates applying to the Defence Bank Super Term Deposits is provided in Defence Bank's Interest Rate Schedule. The Defence Bank rates of interest shown are net before taxes and government charges.

Interest rates applying to the Defence Bank Super Term Deposit will vary upwards and downwards from time to time as we determine, and generally in line with the movements in interest rates in the marketplace.

Benefits of Investing

- » Generally, higher returns than a cash account deposits
- » Provides a low risk investment option in volatile market
- » Choose from a variety of fixed terms to suit your needs (1, 2 and 3 years)
- » Tax effective returns.

Your term deposits are:

- » Subject to low superannuation tax of 15% in super if you are in accumulation
- » Tax-free if you are in a pension.

Cooling off period

If you invested directly in a Term Deposit you may have the benefit of a 14 day "cooling off" period. The Trustee is not entitled to any "cooling off period" because it is a wholesale investor.

To purchase your Term Deposit

Simply log in to your membership at defencebank.com.au click on ' ', then 'click on superannuation'. For new members 'click on create a Superannuation', or for existing members 'click on enquire superannuation'.

You may only purchase Term Deposit(s) once you have funds available by clicking the term deposit tab in 'My Account'.

When opening a Defence Bank Super Term Deposit there is an 8 business day wait period before we can set up your Term Deposit. The wait occurs to allow suitable time to sell down your default investments, and where applicable provide any income payments. Defence Bank will hold the interest rate at the purchase date regardless of any movements in Defence Bank Term Deposit interest rates. Where you have chosen to rollover the principle on an existing Term Deposit, the 8 day wait does not apply.

Asset Sector

100% cash

Fees, Charges and Commissions

This section sets out the fees, charges and commissions that apply to the Term Deposits.

Any fees are deducted from the balance of your relevant investment profile. Please read this section carefully as it is important to understand the impact of fees and charges on your Term Deposit.

Fees Summary

Entry fee: This is the fee to set up the Term Deposit	Nil
Annual Administration fee: This is the fee to cover the general administration of the Term Deposit.	Term deposit attracts a fee of \$17 per month (\$204.00 per year) regardless of the number of term deposits held. This fee is deducted on a monthly basis for the life of the term deposit payable from the member investment choice.
Withdrawal fee: This is a fee charged for each withdrawal or transfer from your Term Deposit at your request	An admin break fee of \$25 per break is chargeable on the request for each early redemptions (see closing the term deposit early)
Contribution fee: This is the fee payable each time a contribution is made.	Nil
Early Term Deposit Penalty: This is the penalty that will be charged when a term deposit is redeemed prior to expiry of the agreed term.	2% of the accrued interest earned for the entire term at that day of term deposit redemption. Should there be insufficient funds (due to monthly interest payments) funds will be deducted from the principle.
Adviser commission	Nil

Early withdrawals

If you wish to close your Term Deposit before the maturity date, you must provide us with 30 days notice. Interest will be calculated from the date the Term Deposit was opened to the date the Term Deposit is closed (inclusive of the 30 day notice period), less the interest rate reduction specified below:

Term	Interest Rate Reduction
1 Year	2%
2 Years	2%
3 Years	2%

Partial term deposit redemptions are not available.

Privacy

Disclosure of your personal information

Like most other financial institutions, Defence Bank regularly uses third party service providers to assist in the provision of products and services to you. For example, Defence Bank uses computer bureau, web page managers, mailing houses and industry special service providers. These service providers only act as our agents and on Defence Bank's behalf, and Defence Bank ensures any third party service provider is bound by non-disclosure and confidentiality undertakings and agreements to protect the privacy of your personal information.

Apart from the above, Defence Bank will not disclose personal information about you unless the disclosure is:

- » with your consent
- » required by law (e.g. disclosure of your tax file number to the Australian Taxation Office)
- » authorised by law (e.g. to protect the rights, property or personal safety of another web user or a member of the public).

Complaints and Dispute Resolution Process

The Trustee has an established procedure for dealing with member enquiries and complaints.

Enquiries and complaints should be made to:

Complaints Officer
Defence Bank Super
PO Box 4344
Melbourne VIC 3001

Telephone: **03 9654 1399**
Fax: 03 9654 2187
Email: fso@defencebank.com.au

If you are unhappy with the response to an enquiry, or have a complaint or dispute, you will generally be asked to place your question or problem in writing to the Trustee. The Trustee will try to reach a satisfactory solution to your problem within 90 days of you raising the complaint and will advise you accordingly.

If a satisfactory solution is not achieved within 90 days of you raising the complaint or you don't hear from us in this timeframe, you are able to take your complaint to the Superannuation Complaints Tribunal (SCT) by:

- » phoning **1300 884 114** (cost of a local call); or
- » writing to **Locked Bag 3060, Melbourne Victoria 3001**; or
- » visiting **Level 15, 31 Queen St, Melbourne, Victoria**.

The Tribunal is an independent body set up by the Commonwealth Government to review trustee decisions relating to members (as opposed to trustee decisions relating to the management of the Fund as a whole).

You must follow the procedure set out above. The SCT will only handle certain types of complaints and time limits apply for lodging some complaints. If the SCT accepts your complaint it will try to help you and the Trustee to reach a mutual agreement through conciliation. If this is not successful, the SCT will make a decision that is binding on all parties (subject to a limited right of appeal to the Courts).

Financial Services Guide

For more information about us, and our range of product and services, please see our Financial Services Guide (FSG).

You can obtain an FSG by contacting us.

Contacting us

You can contact us by visiting our head office or any of our branches, telephoning us, visiting us online or by email.

For more information about Defence Bank Super go to defencebank.com.au

Product Issuer information

Defence Bank Super Term Deposit and this Product Disclosure Statement (PDS) are issued by:

Defence Bank Limited (Defence Bank)
ABN 57 087 651 385 AFSL/Australian Credit Licence 234582

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Melbourne VIC 3000

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