

Changes impacting Asgard super and pension products

Issue date: 27/07/2015

Preparation date: 25/06/2015

It's important to keep on top of your super to ensure it's working for you. As the trustee of your account, we're committed to helping you understand important changes that recently came into effect.

We've updated the respective Product Disclosure Statement (PDS) on 1 July 2015 (except Asgard Rollover Service) to reflect these changes. The important changes in this notice relate to your account in one of the following products:

- **Asgard eWRAP Super/Pension**
- **Asgard Infinity eWRAP Super/Pension**
- **Asgard Insights eWRAP Super/Pension**
- **Asgard Elements Super/Pension**
- **Asgard Managed Profiles and Separately Managed Accounts – Funds Super/Pension**
- **Asgard Rollover Service (closed to new members).**

We've also updated the Asgard Personal Protection Package PDS on 1 July 2015. An important change from this PDS update is detailed in item 2 below.

The changes in this notice will impact some members more than others. Please take the time to review the information carefully to ensure you're aware of the changes and how they may affect you.

If you have any questions, please call us on **1800 998 185** or discuss them with your financial adviser.

Important changes

Change	Do you need to do anything?
1 Consolidating your super so you can start a pension	No action is required from you
2 Change to medical certificates for Terminal Illness Benefit (applicable to Asgard Personal Protection Package insurance only)	If you're making a Terminal Illness Benefit claim, medical certificates must be provided to us within 12 months from when they were signed
3 Changes to the frequency of Australian Taxation Office (ATO) tax instalments (not applicable to Asgard Rollover Service)	No action is required from you
4 Terminal medical condition 12 month period to be extended	No action is required from you
5 Expense recovery additional information	No action is required from you
6 Changes to the preservation age	If you were born after 30 June 1960, please consider this information before making a withdrawal from your account

1. Consolidating your super so you can start a pension

Once you start a pension, you're unable to make any further contributions to your pension account. As part of the pension account set up, you also get a temporary super account to allow you to consolidate any super you have elsewhere.

What changes have we made to temporary super accounts?

You can now transact on this temporary super account while you wait for your other super holdings to be brought into your temporary super account. This means you can choose investment options sooner.

2. Change to medical certificates for Terminal Illness Benefit (applicable to Asgard Personal Protection Package insurance only)

When making a Terminal Illness Benefit claim, medical certificates must now be provided to us within 12 months from when they were signed by the relevant practitioner.

3. Changes to the frequency of ATO tax instalments (not applicable to Asgard Rollover Service)

From 1 January 2016, we're required to pay tax provisions from your account on a monthly basis in order to comply with ATO obligations. This change means we will need to pay tax provisions from your account more often, but it won't increase the amount of tax we need to deduct from your account over the course of each financial year.

Tax on taxable contributions, investment income and capital gains is provisioned within your account up to a rate of 15%. Currently, the provision balance remains invested in your account for your benefit until it is required to be paid to the ATO through quarterly and annual tax instalments or when your account's closed. From 1 January 2016, this will change to monthly and annual tax instalments or when your account's closed.

Tax payments, where required, are deducted from your cash balance and may result in a sell down of investments if there is an insufficient cash balance at the time of payment.

4. Terminal medical condition 12 month period to be extended

The Australian Government has announced proposed changes to make it easier for people with a terminal illness to access their super. The proposed changes are effective from 1 July 2015.

Under the proposed changes, a person with a terminal medical condition can potentially access super benefits within 24 months of expected death (this is currently a 12 month period). For further information, go to www.ato.gov.au

5. Expense recovery additional information

In July 2014, we notified you about expense recovery and updated the super/pension product PDSs. We've provided additional background here for your information only – no action is required.

Over recent years, the Australian Government has implemented a number of reforms affecting superannuation funds, including the Future of Financial Advice ('FOFA'), Stronger Super and the Operational Risk Financial Requirement ('ORFR').

The ORFR requires the Trustee to maintain sufficient capital to cover operational risks such as a computer system failure, human error in administration processes, or the risk of external events, such as fraud. If an operational risk event occurs, this capital can be used to compensate members for losses. The Trustee incurs expenses to maintain the capital held for the ORFR.

The reforms described above have required the Trustee to undertake a significant program of work, and have generated additional and ongoing expenses. In addition to the Trustee's duties and responsibilities to protect your superannuation, the Australian Prudential Regulation Authority (APRA) charges the Trustee a levy for their role in supervising the superannuation industry.

Recovery of the above expenses all fall within the Expense Recovery. Most of these expenses are allocated as a flat dollar amount from each member's account in the super/pension products. The ORFR expense is allocated as a percentage based expense, based on your account balance and calculated at the time the expense is applied. The estimated expense recovery is set out in the PDS. The exact amount deducted from your account will be confirmed in your periodic Investor Report and online in your transaction history.

6. Changes to the preservation age

Your preservation age is the age at which you can access your super. From 1 July 2015, the preservation age will increase from 55 to 56 for individuals born after 1 July 1960.

The preservation age will progressively increase to 60 depending upon your date of birth – for example the preservation age for individuals born after 30 June 1964 will be 60.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
1 July 1964 onwards	60

Your preservation age determines how you're taxed on lump sum withdrawals. If you're aged 60 or over, withdrawals from your account are generally tax free. If you're under 60, you will generally be taxed as follows.

Age	Taxable component	Tax-free component
Under preservation age	A rate of 20% plus the Medicare levy	Nil
Preservation age to age 59	Up to the low rate cap¹: Nil Above the low rate cap¹: a rate of 15% plus the Medicare levy	Nil

¹ The low rate cap is \$195,000 for 2015/16, indexed to Average Weekly Ordinary Time Earnings (AWOTE) and rounded down to the nearest \$5,000 in subsequent years. Please refer to www.ato.gov.au for more information.

CUSTOMER RELATIONS

Phone: 1800 998 185

Email: asgard.investor.services@asgard.com.au

Post: PO Box 7490
Cloisters Square WA 6850

IMPORTANT INFORMATION

BT Funds Management Limited ABN 63 002 916 458, AFSL 233724 (BTFM and the Trustee) is the trustee of, and the issuer of interests in, each of Asgard Infinity eWRAP Super/Pension, Asgard eWRAP Super/Pension, Asgard Insights eWRAP Super/Pension, Asgard Elements Super/Pension, Asgard Managed Profiles and Separately Managed Accounts – Funds Super/Pension, Asgard Employer Super Account and Asgard Rollover Service. The super/pension products aforementioned (excluding Asgard Rollover Service) are each part of the superannuation fund known as the Asgard Independence Plan Division Two, ABN 90 194 410 365. Asgard Rollover Service is part of the superannuation fund known as the Asgard Independence Plan Division Four, ABN 47 948 096 909. Asgard Capital Management Limited ABN 92 009 279 592 (ACML) is the custodian and administrator of the super/pension products and administrator of Asgard Personal Protection Package. A PDS is available for each of the products (excluding Asgard Rollover Service, which is closed to new members) and can be obtained by calling 1800 998 185 or through *Investor Online*. You should consider the relevant PDS before deciding whether to acquire, continue to hold or dispose of interests in the product(s).

The information in this significant event notice is current at the date of preparation and does not take into account your objectives, financial situation or needs. Because of this you should, before acting on the information, consider its appropriateness, having regard to these factors and, where appropriate, consult your financial adviser or obtain other independent professional advice before acting on the information. Information regarding legislative changes is intended as a guide only; it is not exhaustive and does not constitute legal advice. It is based on our interpretation of the law currently in force on the date of this notification. Consequently, it should not be relied upon as a complete statement of all relevant laws, the application of which may vary, depending on your particular circumstances.

BTFM and ACML are members of the Westpac Banking Corporation (Westpac) group of companies. Unless otherwise disclosed in the PDS for the relevant financial product, investments through a super/pension product account are not deposits with, investments in, or other liabilities of, Westpac or any other company within the Westpac Group. They are subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither Westpac nor any other company within the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of the specific investments you select or the account generally.