

Product Update

Asgard Employee Super Account

1 July 2019



The information in this notice has been included to update information in the Asgard Employee Super Account Product Disclosure Statement (PDS) dated 17 December 2018 and the Additional Information Booklets (AIBs) Part 1 – General, Part 2 Investments and Part 3 Insurance dated 17 December 2018 and any prior notice from us issued by BT Funds Management Limited ABN 63 002 916 458 AFSL 233724.

It is important that you read and understand the information contained in this notice. It should be read together with the PDS and AIBs, which are available at asgard.com.au. Terms defined in the PDS and AIB have the same meaning in this notice unless otherwise stated.

The information in this notice does not take into account your personal objectives, financial situation or needs and so you should consider its appropriateness having regard to these factors before acting on it.

Changes from 1 July 2019

Work test requirements for over 65s

Generally, if you're aged between 65 and 74 you need to meet a work test to make personal contributions to your super. The work test means you must be 'gainfully employed' for at least 40 hours in any 30 consecutive day period in the financial year in which the contribution is made.

From 1 July 2019, you'll receive an exemption from the work test if you met it in the previous financial year and your total super balance was less than \$300,000 at 30 June in that same year. This means, if you're over 65, you may be able to make additional contributions to super in the financial year after you retire.

Catch up concessional contributions

If your total super balance is less than \$500,000 on 30 June of the previous financial year and you have not fully

used your concessional contributions cap in any of the previous five financial years, you may be able to make additional concessional contributions above the standard cap (currently \$25,000) up to the value of your unused cap amount. Unused cap amounts can only be accrued from 1 July 2018. For more information refer to ato.gov.au.

Protect Your Super

Insurance Opt-in

Changes to the government's rules regarding insurance through super means we can't provide insurance cover through your Asgard Employee Super Account where no contributions or rollovers have been received for 16 continuous months. If you want to keep the insurance cover you have on your account, you must "opt in" by calling us on 1800 998 185.

If you're impacted by this change, we'll let you know before we cancel the insurance cover on your account and provide details of the insurance cover you hold through super and the choices available to you. If your insurance cover is cancelled and you then decide you want it back, you may be able to re-apply for cover. To change or cancel your insurance, you can call us on 1800 998 185.

Inactive low balance accounts transferred to the ATO

From 30 June 2019, we may be required to transfer your super account to the ATO if your account balance is below \$6,000 and your account hasn't received a contribution or rollover for 16 months or more. Generally, your super account won't be transferred to the ATO if in the last 16 months you have:

- made an investment switch
- made or amended a binding beneficiary nomination, or
- provided us with a written authority to notify the ATO that you're not a member of an inactive low-balance account and want your account to remain with us.

Additionally, your account will not be transferred to the ATO if:

- you have insurance attached to your super account
- met a prescribed condition of release, or
- your account is a pension account including transition to retirement income streams.

Fee caps and no exit fees

From 1 July 2019, if your super balance is below \$6,000 at the end of the financial year or at the time of exit, the

total combined amount of administration fees, investment fees and indirect costs charged in the financial year is capped at 3% of your account balance. Any amount charged in excess of this cap will be refunded.

In addition, from 1 July 2019 exit fees will not be charged if you action a partial withdrawal, or if you close your super account. Exit fees are now banned from all super accounts.

Updates to the Asgard Employee Super Account Product Disclosure Statement (PDS)

On **page 5** replace the 'Investment return objective (over a 10 year period)' column as follows:

Asgard MySuper Lifestage Investment Option	Investment return objective (over a 10 year period) ¹
1940's	CPI + 1.0% pa
1950's	CPI + 1.3% pa
1960's	CPI + 2.2% pa
1970's	CPI + 3.3% pa
1980's	CPI + 3.3% pa
1990's	CPI + 3.3% pa
2000's	CPI + 3.3% pa

¹ After fees and taxes

On **page 7** remove the graph under the heading 'What does your Asgard MySuper Lifestage Investment Option invest in?'

Changes to the 'Fees and other costs' section of the PDS.

On **page 13** remove the section 'Activity fee (rapid withdrawal facility)' under the sub-heading 'Other fees and costs'.

Updates to Asgard Employee Super Account Additional Information Booklet (AIB) Part 1 General

On **page 5** replace the last paragraph of the 'Choice of Fund' section with the following:

Before transferring your super balance, you should consider the effect it will have on your benefits, including any insurance cover you may have in the super fund you are transferring from.

On **page 14** remove the section 'Rapid withdrawal'

On **page 24** replace the table under the heading 'Asgard MySuper Lifestage Investment Options' with the following:

Estimated Indirect Costs ¹				
Asgard MySuper Lifestage Investment Option	Investment Manager fee (%)	Estimated performance-related fee (%pa)	Other indirect costs (%pa)	Estimated buy-sell spread (%)
1940's	0.50	0.04	0.06	0.36
1950's	0.50	0.03	0.06	0.36
1960's	0.50	0.03	0.07	0.36
1970's	0.50	0.03	0.07	0.36
1980's	0.50	0.03	0.07	0.36
1990's	0.50	0.03	0.07	0.36
2000's	0.50	0.03	0.07	0.36

¹ Estimated indirect costs are an estimate to the 12 months to 30 June 2020. Performance-related fees are not a representation of likely future performance. The actual performance-related fees will depend on the performance of the relevant investment managers, so are likely to vary from this estimate.

On page 27 remove the section 'Rapid withdrawal facility' under the sub-heading 'Activity fees'.

On page 29 in the 'Defined Fees' section, update the Type of fee and Definitions with the following:

Type of fee	Definition
Activity fees	<p>A fee is an activity fee if:</p> <ul style="list-style-type: none">(a) the fee relates to costs incurred by the trustee, or the trustees, of the superannuation entity that are directly related to an activity of the trustee, or the trustees:<ul style="list-style-type: none">(i) that is engaged in at the request, or with the consent, of a member; or(ii) that relates to a member and is required by law; <p>and</p> <ul style="list-style-type: none">(b) those costs are not otherwise charged as an administration fee, an investment fee, a buy sell spread, a switching fee, an advice fee or an insurance fee.
Administration fees	<p>An administration fee is a fee that relates to the administration or operation of a superannuation entity and includes costs that relate to that administration or operation, other than:</p> <ul style="list-style-type: none">(a) relate to the administration or operation of the fund; and(b) are not otherwise charged as an investment fee, buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.
Advice fees	<p>A fee is an Advice fees if:</p> <ul style="list-style-type: none">(a) the fee relates to costs incurred by the trustee, or the trustees, of the superannuation entity that are directly related to an activity of the trustee, or the trustees:<ul style="list-style-type: none">(i) a trustee of the entity; or(ii) another person acting as an employee of, or under an arrangement with, a trustee or trustees of the entity; and(b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.
Buy-sell spreads	<p>A buy sell spread is a fee to recover transaction costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the sale and purchase of assets of the entity.</p>
Exit fees	<p>An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interest in a superannuation entity.</p>
Indirect cost ratio	<p>The indirect cost ratio (ICR), for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.</p> <p>Note: A fee deducted from a member's account is not an indirect cost.</p>
Insurance fees	<p>A fee is an insurance fee if:</p> <ul style="list-style-type: none">(a) the fee relates directly to either or both of the following:<ul style="list-style-type: none">(i) insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity;(ii) costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the provision of insurance for a member or members of the entity; <p>and</p> <ul style="list-style-type: none">(b) the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; <p>and</p> <ul style="list-style-type: none">(c) the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an advice fee.

Type of fee	Definition
Investment fees	An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes: <ul style="list-style-type: none"> (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and (b) costs incurred by the trustee, or trustees, of the entity that: <ul style="list-style-type: none"> (i) relate to the investment of assets of the entity; and (ii) are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.
Switching fees ¹	A switching fee is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one class of beneficial interest in the entity to another.

¹ We currently don't charge this fee, and you'll be notified of any fees that may be changed.

Updates to Asgard Employee Super Account Additional Information Booklet (AIB) Part 3 Insurance

On **page 11** under the heading '**Termination of your cover**' add:

- 16 months since the last contribution or rollover was received unless you have elected to retain your insurance cover.

On **page 18** of AIB 3 Insurance, under the heading 3. '**Glossary**' add following terms:

Eligible contributions – for measuring contributions inactivity consist of:

- **Superannuation Guarantee** contributions
- additional employer contributions, or
- personal contributions (including a rollover, contributions made by a spouse and government contributions).

Inactive and inactivity – means you have an account that is inactive within the meaning of the Superannuation Industry (Supervision) Act 1993.

For more information

If you have any questions, please call Customer Relations on 1800 998 185 between 8.00am and 6.30pm (Sydney time) Monday to Friday or contact us online at asgard.com.au > Contact Us > Contact Us Online.



asgard.com.au



1800 998 185



PO Box 7490 Perth WA 6850



Speak to your financial adviser today

Asgard

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