

Asgard Employee Super Account (AESA) MySuper Dual Profiles - Employer Information

AESA MySuper- Employer FAQ

1. What is MySuper?

Super is usually one of your employees' biggest investments and is designed to help them save for life after work. To help Australians better prepare for their retirement, the Australian Government has recently made a number of changes to the super industry as part of its 'Stronger Super' program.

MySuper, which is a key part of the 'Stronger Super' program, is about offering a simple and cost-effective default super product for your employees who haven't made an active choice of where they want to invest their super.

2. What is Asgard's MySuper Offering?

Asgard's MySuper Lifestage investment option is backed by an award-winning asset manager and a proven track record. We have chosen a Lifestage investment approach, which is well-suited to those employees who want to leave it to us to manage their money.

3. How does a Lifestage Fund work?

When an employee invests in Asgard's MySuper Lifestage investment option, they'll be invested according to their decade of birth and our investment experts automatically adjust the asset mix throughout their life.

When an employee is younger (and has more time to withstand ups and downs in their investment returns) their asset mix will be more growth orientated to target a higher return. Over time the fund will gradually shift to a more conservative asset mix. It generally does this by decreasing its allocation to growth assets and increasing its allocation to conservative assets.

4. What are the benefits of the Asgard's MySuper Offering?

We are a pioneer of Lifestage super in Australia

We have been successfully managing Lifestage funds for over five years, while many other Australian super funds are new to this investment approach.

Proven award-winning investment manager

Asgard's MySuper Lifestage investment option will be actively managed by award-winning Advance Asset Management Limited (Advance).

Active asset management designed to achieve above-market returns

Advance uses an active asset management approach, designed to achieve sustainable outperformance over the long-term and seeks to provide greater returns to employees.

A Lifestage investment approach designed to maximise returns and manage risk

Investment experts automatically adjust the asset mix for your employee over their investment timeframe, maximising growth potential when they're young and when they have the time to ride out the ups and downs of the market, reducing risk as they near retirement.

Diversification across assets and investment managers

Your employees don't have to worry about having 'all their eggs in one basket'. Asgard's MySuper Lifestage investment option invests across a number of different asset classes, and a number of investment managers from Australia and around the world. Advance scours the globe to select the best of the best investment managers and has access to an extensive range of local and global resources.

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MySuper: Changes to your employees' AESA default accounts from 1 January 2014

From 1 January 2014, a second account has been added to the accounts of all existing (AESA) members who have not chosen how their superannuation is invested ('default' employees). This second account is the AESA MySuper account that we are required to provide to default employees, to comply with the legislation.

Note: Your employees who have provided Asgard with an opt-out form or an investment instruction for their super contributions, and are therefore identified as 'choice' employees, are not impacted by the changes documented in this FAQ document.

1. How will this second account operate?

The second account, which is an AESA MySuper account, will be established under the employee's existing member number. For example, if an employee's current AESA account number is 1234567-D2-01, the member number is the first 7 digits of their account number, i.e. 1234567.

As part of this process your employee will be issued with a second account number, for example:

1234567-D2-01 – Existing AESA account number.

1234567-D2-02 – AESA MySuper account number.

2. How will contributions and rollovers for default employees be invested from 1 January 2014?

Until the employee instructs us otherwise, from 1 January 2014 all of their contributions and rollovers will be invested into their AESA MySuper account, in accordance with MySuper legislation.

3. Does this impact your existing AESA default employees' balances?

Your employees' existing balances as at 31 December 2013 will remain invested in their current AESA account and will not be impacted by this change.

4. What fees will your employees pay?

The fees for your employees' existing AESA accounts will stay the same, except for contribution and transfer fees, which have been removed from 1 January 2014. The fees for your employees' AESA MySuper accounts will be as per the PDS, less any negotiated employer discounts, where applicable.

5. How does this change affect contribution fees?

From 1 January 2014, upfront contribution fees have been removed for all AESA employees, regardless of whether they are default or choice employees. This decision was driven by the Stronger Super legislation, and ensures a consistent and positive experience for all AESA employees. This change was communicated to employees and advisers as part of the MySuper communications in November 2013.

6. What happens if one of my employee actions a switch or an investment profile change on one of the AESA accounts?

So that the administration of the AESA accounts is seamless, if your employee performs a switch or investment profile change on one AESA account, we will close the other AESA account and combine the holdings into the AESA account the instruction applies to.

All contributions and rollovers will then be allocated to the remaining AESA account.

7. Will this change impact AESA insurance cover?

If your employee holds insurance under their existing AESA account, it will not be affected by the addition of the AESA MySuper account. No new insurance will be provided to existing employees with the new AESA MySuper.

If we combine your employees' accounts as part of any other process documented in this FAQ, we'll ensure the insurance cover is maintained in the remaining AESA account, after the consolidation.

8. If an AESA default employee wishes to close one of their AESA accounts and merge it into the other account, how should this be actioned?

Where the employee wishes to close the AESA MySuper account and merge it into their other AESA account, we will be providing a new AESA form for this purpose to advisers and employees within the next three weeks. This form will require your employee's signature authorising the account closure.

The form will be made available for your employees via Investor *Online*. Advisers will be informed of the forms availability via an article on the 'Latest news and alerts' section of AdviserNET.

The employee can also complete this process by using the 'Payment request' or 'Transfer authority' paper form.

9. How will this change impact Employer Online and the Investor Report?

Employer *Online*

There will be no changes to Employer Online due to the AESA MySuper changes. The process to contribute to your employees AESA account is not impacted by the addition of the AESA MySuper account for your default employees.

Investor Reports

In July 2014, your employees will receive a single mailing containing two Investor Reports for the period ending 30 June 2014 – one for each of their AESA accounts. Your employee will also receive a separate summary view of their total AESA account balance within this mailing.

10. What is the impact on SG contribution files?

Contributing to your employees' AESA account via Employer *Online* is not impacted by the addition of the AESA MySuper account.

11. What is the impact to insurance reviews?

These will still occur as per the date on the member's insurance record.

12. Will there be double the amount of members, even though the first 7 digits of the accounts are the same?

No, each employee will have a single client code, with their two AESA accounts sitting under this code.

13. When an employee updates their address, etc, will they need to update both accounts?

Generally, account amendments made by the employee, via an amendment form, will be actioned on both of the employee's accounts (where applicable).

14. Will an employee be disadvantaged by having two accounts?

No. We have made changes to the way we process withdrawals, switches, amendments and investment profile changes (as documented in this FAQ) to ensure employees are not disadvantaged.

15. For super redemption tax purposes, will the employee will be treated as though they have one account?

Yes. We will ensure the tax outcome for the employee in relation to the deduction of super redemption tax is as if the employee held one single AESA account.

16. Does this mean that employees are paying two lots of fees?

The fees on the employees' existing account balances will be unchanged by the addition of the AESA MySuper investment option. The fees the employee pays on their AESA MySuper investment option for their contributions and rollovers received after 1 January 2014 will be as per the PDS, less any negotiated employer discounts, where applicable.

BT Funds Management Limited ABN 63 002 916 458, AFSL 233724 (BTFM) is the trustee of, and the issuer of interests in, the Asgard Employee Super Account, which is part of the superannuation fund known as the Asgard Independence Plan Division Two, ABN 90 194 410 365. Asgard Capital Management Limited ABN 92 009 279 592 (ACML) is the custodian and administrator of the Asgard Employee Super Account.

A PDS for the MySuper Product will be made available by calling 1800 998 185 or online at asgard.com.au when the product is released or otherwise becomes available, and when it is available, you should obtain and consider the PDS in deciding whether to acquire, or continue to hold the product in the Asgard Employee Super Account.