



Investment Update – 30 June 2021

TAL Life Limited ABN 70 050 109 450 AFSL 237848

For Friends Unit Linked Superannuation, Life Force and TAL Pooled Superannuation

The Investment Update is to be read in conjunction with your Annual Statement and is provided by TAL Life Limited (TAL). It provides you with the information you need to understand the management, financial condition and investment performance of your investment option(s) and product.

Your Annual Statement provides details of your accumulated benefit entitlement, including details of opening and closing balances, transactions and your investment option(s).

If you would like a printed copy of this update or have any questions, please call us on 1300 209 088 or email customerservice@tal.com.au quoting your policy number.

Contents

Directory	1
Important information on how we manage your investment	2
About the investment information	4
Investment information as at 30 June 2021	5
Contact us	9

Directory

Issuer, Administrator, Insurer & Investment Manager

TAL Life Limited
ABN 70 050 109 450 AFSL 237848

Customer Service

1300 209 088
Monday to Friday
8.00am – 7.00pm (AEST/AEDT)
customerservice@tal.com.au

TAL Life Limited
GPO Box 5380
Sydney NSW 2001

Terms used in this Investment Update

ABN	Australian Business Number
AEST/AEDT	Australian Eastern Standard Time/Australian Eastern Daylight Time
AFSL	Australian Financial Services Licence
AFCA	Australian Financial Complaints Authority
AML/CTF Act	Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)
CPI	Consumer Price Index
'TAL', 'we', 'us', 'our'	TAL Life Limited and any of its related bodies corporate

Unit Linked	an investment option where members purchase units, with each unit representing an equal share of the underlying assets of the option. The value of each unit, i.e. the unit price, reflects the market value of the underlying assets
'you', 'your', 'customer'	the customer

Disclaimer

TAL, its related bodies corporate and their directors and associates do not guarantee any particular rate of return, the repayment of capital or income, or the performance of any of the products or investment options referred to in this Investment Update unless otherwise stated. The information contained in this Investment Update is general information only and does not constitute financial or taxation advice. It does not take into account your individual objectives, financial situation or particular needs (your circumstances). TAL recommends that you read the relevant Product Disclosure Statement or other offer documentation provided to you when you acquired this product, and consider obtaining independent investment and taxation advice specific to your circumstances before making any financial decision.

Important information on how we manage your investment

Processing of contributions and withdrawals

Subject to regulatory approval (where required), we reserve the right to suspend or restrict the processing of some or all transactions where:

- in our absolute discretion, market disruptions or extraordinary circumstances mean that it would not be fair and reasonable to continue processing transactions;
- for whatever reason, we are unable to determine the unit price(s) at which transactions should be processed; or
- one or more investment options are illiquid in that they do not have sufficient assets that can reasonably be expected to be realised and converted into cash to satisfy redemption requests within the timeframe set by legislation.

Additionally, if we do not receive all the necessary information, we may reject an application for units in whole or in part until all completed information is received by TAL.

The temporary suspension or restriction of processing of transactions will be lifted when the risk to policy owners has abated sufficiently to make it fair and reasonable to resume processing transactions.

Identification requirements

The AML/CTF Act requires us to identify you and verify your identity when you make withdrawals from your investment. Generally, you will need to provide certain documents (such as a certified copy of your passport or current driver's licence) to establish or verify your identity. If you do not provide identifying documents, or if we are unable to adequately verify your identity, we may not be able to process your withdrawal. The AML/CTF Act also imposes reporting obligations on us if we form suspicions about the identity of someone we are transacting with or about the purpose of the transaction itself. In these circumstances we may decide to delay or decline to process that transaction and report it to the regulator if we are concerned that the request or transaction may be in breach of the provisions of the AML/CTF Act or cause us to commit an offence under that Act. If we take this step, we will not incur any liability to you.

Privacy

The way in which TAL collects, handles, secures and discloses your personal information is set out in the TAL Privacy Policy which is available on our website www.tal.com.au/Privacy-Policy or a copy is available free of charge on request.

TAL has processes in place to help to prevent unauthorised people from gaining access to your information. However, there are some steps that you can take to help protect your personal

information from unauthorised access or use. The website of the Office of the Australian Information Commissioner at www.oaic.gov.au contains useful information on how you can protect your personal information.

How unit pricing works

The current process to determine unit prices may differ from any process description provided when this product commenced. Therefore, we provide this description of how our unit pricing process works currently. When you invest money in an investment option, your money is pooled together with that of other policy owners. TAL then uses this pool of funds to invest in assets which are managed on behalf of all policy owners. All units within each Unit Linked investment option have an equal value. Unit prices for these investment options are determined daily (for each business day) by dividing the total net asset value of the investment option by the number of units on issue within that investment option.

The net asset value of all investment options includes the market value of the assets (including provision for tax benefits that may arise in the future) and provisions for fees, taxes, transaction costs and any other expenses of the option. We use the most recent best estimate of these provisions in each day's net asset value. These estimates are updated regularly and may be subject to change.

How non-unit linked pricing works

For non-unit linked options, income is credited to the policy account through an interest rate, rather than movements in a unit price. The interest rate is declared annually.

Withdrawals and benefit payments

TAL's current process is to calculate the withdrawal value using the latest available unit price or interim interest rate at the time of calculating the payment. This current process may differ from the benefit calculation procedure in your original product terms.

Adjustments

Very occasionally, errors occur that have a material effect on the value of your account. When this happens, TAL will adjust your account as follows:

- for policies that are still current, we will adjust the investment to ensure it is in the position it should have been had the error not occurred; and
- for policies that have exited, compensation may be paid where the adjustment to your account is at least \$20.

Where an exited policy has been overpaid, TAL may seek to recover the overpayment from you.

Fees

We will provide you with 30 days' prior written notice before introducing any additional fee(s) or before increasing existing fee(s).

About the investment information

Investment management arrangements

In light of TAL's acquisition of Asteron Life and Superannuation Limited (Asteron), the TAL Investments team has enhanced its governance capabilities over the last 24 months to apply more supervisory scrutiny and assume more direct responsibility for customer investment arrangements.

Enhancements included:

- creating an Investment Mission: "We drive value for customers through our expertise in risk management and strategic partnerships to deliver investment solutions that complement our market-leading protection offering";
- articulating a set of Investment Beliefs which recognise customer investment needs and TAL's organisational preferences;
- integrating a "Preferred Partner" approach into the investment model to drive simplicity and promote TAL as a long-term investor.

Following these governance enhancements, a number of investment manager changes were implemented across various TAL Life Limited Funds in order to:

- Apply a consistent approach to investment management arrangements across TAL and Asteron investments;
- Simplify investment arrangements to reduce operational complexity and drive better customer outcomes;
- Provide TAL with more flexibility to manage asset risk.

TAL invests contributions received into the investment option(s) that you have selected. These investment options form part of a life insurance policy issued by TAL. This has not changed. However, the assets supporting the investment options forming part of the policy are managed by a number of external fund managers. Please visit the [Investment Philosophy webpage](#) for more information.

Performance returns

Investment performance information as at 30 June 2021 is rounded to one decimal place. The calculation of performance returns is based on the movement of unit prices over the period reported. The performance returns shown are calculated after the deduction of any tax, asset management charge and investment costs attributable to the investment option and before the deduction of any other fees and rebates that may be applicable to your policy. Performance returns are the annual returns for the investment option as a whole. For current investment performance information, see [Investment Options](#) on our website. Past performance is not necessarily indicative of future performance.

Asset allocations and benchmarks

Asset allocations as at 30 June 2021 and 30 June 2020 for each of the investment options have been rounded to the nearest one decimal place. The actual allocations may vary from time to time due to market fluctuations and investment decisions. A limited portion of the investment portfolios may be held as cash for liquidity purposes. For current or further information about asset allocation benchmarks and minimum and maximum ranges, please contact your financial adviser, call us on 1300 209 088 or see [Investment Options](#) on our website.

Investment in derivatives

Derivatives such as futures, forwards, options and swaps (as applicable) may be used, within agreed limits, by the underlying investment managers in managing the various asset classes.

Changes to the investment options

TAL reserves the right to withdraw or close an investment option. We may also change any other aspect of any investment option that you invest in at any time. You will be notified in writing of any

such change. If an investment option is withdrawn, we will transfer your investment to the nearest equivalent option available at that time.

Investment information as at 30 June 2021

TAL's investment objective and strategy

Products	TAL's investment objective	TAL's investment strategy
Friends Unit Linked Superannuation TAL Pooled Superannuation	To provide a product with a range of investment options from which you can make selections which are broadly suitable for your personal circumstances.	To invest in insurance policies which provide investment options consistent with our investment objective.
Life Force	To provide a product with modest investment growth.	To invest in insurance policies which provide investment options consistent with our investment objective.

Investment performance

For the Unit Linked investment options: The calculation of investment performance is based on the movement of unit prices over the period reported.

For the non-Unit Linked options: The calculation of investment performance is based on the interest rates declared over the period reported.

The returns shown below are calculated after the deduction of any tax, asset management charge and investment costs attributable to the investment option, and before the deduction of any other fees and the calculation of rebates that may be applicable to your policy. Performance returns are the annual returns for the investment option as a whole.

The 5- and 10-Year Compound Average Returns are detailed below, and the figures are rounded to one decimal place. Current 1, 3, 5 and 10 year performance returns are updated at the end of each quarter and may be obtained by contacting us on 1300 209 088 or by visiting the [Investment Options](#) page on our website.

Your individual returns, after taking into account transactions throughout the reporting period, are detailed in your Annual Statement.

Product	Investment option Investment options listed are available to policyholders with a policy in that product.	Total Compound Average Returns (%)	
		5 Years to 30/06/2021	10 Years to 30/06/2021
Friends Unit Linked Superannuation	TAL Balanced Growth	7.8%	8.0%
	TAL Ethical Growth	12.5%	9.2%
	TAL International Growth	14.6%	12.6%
	TAL Security Focus	2.8%	4.5%
Life Force	TAL Capital Assured (Series 1) ¹	4.2%	4.4%
TAL Pooled Superannuation	TAL Balanced Growth – Taxed	8.5%	8.7%
	TAL Capital Assured ¹	3.6%	3.7%
	TAL Cash	0.5%	1.3%

¹The Capital Assured investment option is not Unit Linked and the performance returns shown in the above table are based on the declared rates as at 30 September each year. The declared rate is after the

deduction of investment costs, asset management charge and other fees and is rounded to one decimal place. The declared rate at 30 September 2020 was 4.25% (Life Force) and 3.68% (TAL Pooled Superannuation). The interim rate from 1 October 2020 is 3.05% and 2.49% respectively. TAL may retrospectively amend interim rates at any time. Past investment performance is not necessarily indicative of future investment performance.

Investment option profiles

Asset allocations for 30 June 2021 and 30 June 2020 for each of the investment options are shown below and have been rounded to one decimal place.

TAL Balanced Growth/Balance Growth - Taxed			
Investment objective	The option aims to provide moderate to high investment growth over the long term from a portfolio that invests in a range of asset classes.		
Investment strategy	The option invests in a range of asset classes, with a strong emphasis on growth assets such as shares and property.		
Investment timeframe	5+ years		
Risk and return profile	Moderate - high		
Asset allocation	Asset class	30 June 2021 (%)	30 June 2020 (%)
	Australian fixed interest	12.0	14.8
	Australian shares	24.0	36.8
	Cash and short-term securities	4.9	0.0
	International fixed interest	12.0	16.1
	International shares	36.1	25.7
	Property	5.0	6.6
	Commodities	6.0	0.0

TAL Capital Assured / TAL Capital Assured (Series 1)			
Investment objective	The option aims to provide moderate investment growth over the medium term from a portfolio that invests in a range of asset classes.		
Investment strategy	The option invests in a range of asset classes, with a strong emphasis on defensive assets such as cash and fixed interest.		
Investment timeframe	3+ years		
Risk and return profile	Low		
Asset allocation	Asset class	30 June 2021 (%)	30 June 2020 (%)
	Australian fixed interest	24.0	27.0
	Australian shares	6.0	7.1
	Cash and short-term securities	34.0	26.7
	International fixed interest	27.0	29.2
	International shares	7.0	6.0
	Property	0.0	4.0
	Commodities	2.0	0.0

TAL Cash			
Investment objective	The option aims to provide cash returns over the short term from a portfolio that invests in cash and short-term securities.		
Investment strategy	The option invests in cash and short-term securities.		
Investment timeframe	1 year		
Risk and return profile	Low		
Asset allocation	Asset class Cash and short-term securities	30 June 2021 (%) 100.0	30 June 2020 (%) 100.0

TAL Ethical Growth			
Investment objective	The option aims to provide high investment growth over the long term from a portfolio of Australian shares issued by companies that take into account the wider ethical, social and environmental issues in the community.		
Investment strategy	The option invests in a range of Australian shares issued by companies that take into account the wider ethical, social and environmental issues in the community.		
Investment timeframe	5+ years		
Risk and return profile	High		
Asset allocation	Asset class Australian shares	30 June 2021 (%) 100.0	30 June 2020 (%) 100.0

TAL International Growth			
Investment objective	The option aims to provide high investment growth over the long term from a portfolio of international shares.		
Investment strategy	The option invests in a range of international shares.		
Investment timeframe	5+ years		
Risk and return profile	High		
Asset allocation	Asset class International shares	30 June 2021 (%) 100.0	30 June 2020 (%) 100.0

TAL Security Focus			
Investment objective	The option aims to provide modest investment growth over the medium term from a portfolio that invests in a range of asset classes.		
Investment strategy	The option invests in a range of asset classes, with a strong emphasis on defensive assets such as cash and fixed interest.		
Investment timeframe	3+ years		
Risk and return profile	Low to moderate		
Asset allocation	Asset class	30 June 2021 (%)	30 June 2020 (%)
	Australian fixed interest	19.0	21.7
	Australian shares	11.0	13.0
	Cash and short-term securities	26.9	22.4
	International fixed interest	22.0	24.1
	International shares	15.1	12.9
	Property	3.0	5.9
	Commodities	3.0	n/a

Changes to investment options

As part of the change in investment management arrangements, we have reviewed the benchmarks, minimum and maximum ranges and the investment option fees. Changes are detailed in the below tables.

Changes to fees

Effective 1 October 2020:

Investment option	Previous fee* (%)	New fee* (%)
TAL Balanced Growth (no change)	1.40	1.40
TAL International Growth	1.40	1.25
TAL Ethical Growth	1.50	1.36
TAL Security Focus	1.40	1.40
Balanced Growth Taxed (no change)	0.75	0.75
TAL Cash (no change)	0.60	0.60

Effective 17 May 2021:

Investment option	Previous fee* (%)	New fee* (%)
TAL Ethical Growth	1.36	1.325

Effective 1 October 2021 (Change applies to Friends Unit Linked Superannuation only):

We recently reviewed some of the product fees on our products and as a result have reduced the fee charged on contributions made to Friends Unit Linked Superannuation policies, sometimes referred to as an 'entry fee' to 0%. This change took effect on 1 October 2021 and was implemented by removing the spread between the buy and sell unit prices on the following four investment options:

- TAL Balanced Growth
- TAL Ethical Growth
- TAL International Growth
- TAL Security Focus

*Fees above are the cost for the administration and investment management of your policy. These fees consist of costs in managing the assets, including fees paid to investment managers. These fees are deducted from the daily unit price for each investment option. These fees may vary from time to time. Please refer to your product disclosure document and/or annual statement for other fees charged to your policy.

Contact us

Enquiries

If you have a general enquiry, call us on 1300 209 088, Monday to Friday between 8.00am – 7.00pm (AEST/AEDT). Alternatively, email us on customerservice@tal.com.au quoting your policy number or write to us at the following address:

TAL Life Limited
GPO Box 5380
Sydney NSW 2001

Complaints

If you have an issue or complaint in relation to your investment, please contact our Customer Service Team on 1300 209 088, Monday to Friday, between 8.00am – 7.00pm (AEST/AEDT). Alternatively, you may wish to address your complaint in writing to:

Internal Dispute Resolution
GPO BOX 5380
Sydney NSW 2001
IDRcomplaints@tal.com.au

We aim to resolve all complaints quickly and fairly. If you are not satisfied with our final response to your complaint, or you have not received our final response to your complaint within 45 days of the date we received your complaint, you may lodge a complaint with the Australian Financial Complaints Authority (AFCA).

AFCA is an external dispute resolution scheme that provides a fair and independent complaint resolution service that is free to consumers:

Online: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678 (free call within Australia)
Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Time limits may apply to complain to AFCA, so you should act quickly. Please consult the AFCA website, or call them, to find out if or when the time limit relevant to your circumstances expires. AFCA has authority to hear certain complaints and can advise if they can assist you.