

[Lodgement Date - **Either 3, 10 or 17 August 2020**]

[Title] [First name] [Surname]
[Address 1]
[Address 2]
[Address 3]
[SUBURB] [STATE] [POSTCODE]
[COUNTRY]

Dear [Title] [Surname]

Member Number: [member number]
Product: [product name]
Fund: TAL Superannuation and Insurance Fund

Significant Event Notice ARC Classic 4 1 October 2020

We're making changes to your product

We've recently conducted a review of the fees and features associated with our ARC products to ensure they remain appropriate for the changing needs and expectations of members and to comply with legislative changes. Following our review, the Trustee has decided to make changes to the ARC Classic 4 product including:

- Removal of the Investment Operations Fee.
- The Administration Fee will change to 2.06% per annum.
- A Minimum Monthly Administration Fee of \$14.12 per month will be applied to all accounts.
- Any existing tiered fees and rebates will be removed and replaced with the simple fee structure outlined in the table below.
- The Administration Fee will be waived on amounts invested in standard ARC cash investment options (the Minimum Monthly Fee will apply to the account).
- All contribution and rollover fees will be switched off.
- Removal of the guarantees on the two cash investment options and conversion into one standard ARC Cash investment option.

Changes to Guaranteed Cash Options

We are terminating the ARC Guaranteed Cash Investment options. If you have holdings in the ARC Guaranteed Cash or ARC Guaranteed Cash S2 Investment options, the holdings will be transferred into the standard ARC Cash investment option which has the same underlying investment structure. You will be eligible for the new administration fee waiver outlined above on your ARC Cash holdings; however, your ARC Cash holdings will not be subject to a guarantee.

Any existing Investment Instructions to contribute to the ARC Guaranteed Cash option will now be redirected to the ARC Cash Investment option. If you wish to change your selected investment option,

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this can be done at any time using the Change of Details form. For more information please speak to your adviser or contact us on the details below.

Detailed fee changes for ARC Classic 4

Product Feature	ARC Classic 4	
	Current	From 1 Oct
Total administration and investment operations fees (gross) ¹	2.59%	2.06%
Member / Minimum fee (gross)	N/A	Minimum fee \$14.12 pm
Optional contribution fee available	Yes	No
Optional adviser service fee available	Available	Available
Cash investment options administration fee	ARC Guarantee Cash - 1.94% pa ARC Guaranteed Cash S2 – 0.65% pa	No administration fees apply to your ARC Cash balance. However, the minimum fee will still apply.

1. The Fund receives a tax deduction for these fees which reduces the amount charged to your account by up to 15%. Similarly, any refund of GST is credited to your account.

Example of fee changes

Please refer to the following table for an example of how the new fees and costs changes in fees will affect your superannuation investment over a 12 month period. This table assumes you hold an account balance of \$50,000 and are invested in one of the options provided in the example.

Investment option	ARC Growth Investment option	ARC Cash Investment option
Investment fees	0.39% per annum Equates to \$195.00 charged each year	0.07% per annum Equates to \$35.00 charged each year
Plus administration fees	2.06% per annum or \$14.12 minimum monthly fee This fee is tax-deductible to the Fund and members pay a reduced rate of 1.75% per annum or \$12.00 minimum monthly fee. Equates to \$1030.00 charged each year before the tax deduction, and \$875.00 after the tax deduction.	0.00% per annum or \$14.12 minimum monthly fee This fee is tax-deductible to the Fund and members pay a reduced rate of 0.00% per annum or \$12.00 minimum monthly fee. Equates to \$169.44 charged each year before the tax deduction, and \$144.00 after the tax deduction.
Plus indirect costs	0.27% per annum Equates to \$135.00 being deducted from your investment	0.14% per annum Equates to \$70.00 being deducted from your investment

Equals cost of the fund	If your balance was \$50,000, then for that year you would be charged fees of \$1,360.00 gross of tax deduction, or \$875.00 net of tax deduction, for the superannuation product.	If your balance was \$50,000, then for that year you would be charged fees of \$274.44 gross of tax deduction, or \$249.00 net of tax deduction, for the superannuation product.
Note: Additional fees may apply. Totals may vary to the sum or product of various components due to rounding in some of the components. Please refer to your Member Booklet for more information.		

What does this mean?

We are changing the administration fees and simplifying some product features; Overall, our members will benefit from these changes by paying lower fees, however, the fees some members pay may increase depending on your balance. For further information review the Member Booklet for your product and the example of fee changes table provided in this notice. You should seek financial advice that will consider your individual and personal circumstances. No other fees or terms and conditions are changing; all changes are outlined in this notice.

When will this occur?

These changes will take effect on 1 October 2020 and you will be able to review updated Member Booklet from that date on our website (www.arcmt.com.au) under ARC Classic member resources.

More Information

If you have any questions about these changes, please feel free to contact your financial adviser or alternatively contact us on:

- Phone 1300 209 088 (Monday to Friday 8am and 7pm (AEST/AEDT))
- Email: customerservice@tal.com.au

Yours Sincerely

TAL Customer Service