

[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 Corporate, ARC Personal, ARC Classic 1, 2 and 3 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 following changes across the ARC product suite have been made by the Trustee:

- Removing all Investment Operations Fees across the ARC product suite.
- The Administration Fee will change to a total of 1.47% per annum.
- Existing member fees will be removed and 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 the ARC Cash investment option (the Minimum Monthly Fee outlined below will apply to the account).
- All contribution and rollover fees will be switched off.
- The ARC product suite will no longer have any Adviser Commissions as commissions payments to all advisers will cease. We will continue to offer Adviser Service Fee arrangements if agreed between the Member and their Adviser.

Changes to Guaranteed Cash Option (ARC Classic 3 only)

We are terminating the ARC Guaranteed Cash Investment options. If you have holdings in the ARC Guaranteed Cash Investment option, 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 by product

Product Feature	ARC Corporate	ARC Personal	ARC Classic 1 & 2	ARC Classic 3	All Products From 1 Oct
	Current	Current	Current	Current	
Total administration and investment operations fees (gross) ¹	2.30%	2.30%	2.53%	1.65%	1.47%
Member / Minimum Fee (gross)	Member fee \$7.22 pm if under \$25k balance	Minimum fee \$14.12 pm	Member fee \$11.06 pm (classic 1 only)	N/A	Minimum fee \$14.12 pm
Adviser administration fee remuneration ²	Up to 0.55% pa	Up to 0.55% pa	Up to 0.15% pa	N/A	Nil
Admin fee tiering/ discount	Yes	Yes	No	No	No
Optional contribution fee available	Yes	Yes	Yes	Yes	No
Optional adviser service fee available	Available	Available	Available	Available	Available
Cash investment options administration fee	0.36% pa	0.36% pa	0.36%pa	0.36% 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.

2. Where adviser remuneration applied it was included in the Total Administration and Investment Operations fees disclosed, where this has been removed this has been reflected as reduction in the new Total Administration and Investment Operations fees

Example of fee changes

Please refer to the following table which shows how the changes to fees may affect your superannuation investment during a 12 month period. The table below provides members with an example based on an account balance of \$50,000 which is invested in one of the options provided in this example.

Products	ARC Corporate, ARC Personal, ARC Classic 1, 2 & 3 (From 1 October 2020)		
	ARC Growth* investment option (Gross fee)	ARC Defensive investment option (Gross fee)	ARC Cash investment option (Gross fee)
Investment fees	0.39% per annum Equates to \$195.00 charged each year	0.25% per annum Equates to \$125.00 charged each year	0.07% per annum Equates to \$35.00 charged each year
Plus administration fees	1.47% per annum or \$14.12 minimum monthly fee This fee is tax-deductible to the Fund and members pay a reduced rate of 1.25% per annum or \$12.00 minimum monthly fee. Equates to \$735.00 charged each year before the tax	1.47% per annum or \$14.12 minimum monthly fee This fee is tax-deductible to the Fund and members pay a reduced rate of 1.25% per annum or \$12.00 minimum monthly fee.	0.00% per annum or \$14.12 min monthly fee Equates to \$169.44 charged each year before the tax deduction, and \$144.00 after the tax deduction.

	deduction, and \$625.00 after the tax deduction.	Equates to \$735.00 charged each year before the tax deduction, and \$625.00 after the tax deduction.	
Plus indirect costs	0.27% per annum Equates to \$135.00 being deducted from your investment	0.20% per annum Equates to \$100.00 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 \$1,065.00 gross of tax deduction, or \$955.00 net of tax deduction, for the superannuation product.	If your balance was \$50,000, then for that year you would be charged fees of \$960.00 gross of tax deduction, or \$850.00 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			

*The ARC Growth investment option is not currently an available investment option for ARC Classic 3 members.

What does this mean?

We are changing the fees, switching off commission payments and simplifying some product features; Overall, our members will benefit from these changes by paying lower fees. For some members this may increase the fees you pay depending on your account balance. For further information we recommend that you carefully 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 other than what has been 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 booklets from that date on our website (www.arcmt.com.au) under member resources.

Need 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