

06 June 2022

Jane Sample
5 Residential Street
MELBOURNE VIC 3000

Netwealth Investments Ltd
ABN 85 090 569 109
AFSL 230975
PO Box 336
South Melbourne VIC 3205

Important changes to your account Russell Investments Super Series

We are writing to you in relation to your Super Series account with Netwealth and to let you know that on 6 June 2022 we issued a Supplementary Super Series product disclosure statement ('PDS') together with an updated Information Guide 1c: Operating your Super Series account and an updated Insurance Guide (the 'disclosure documents').

The changes outlined below may impact your existing Super Series account.

Some of the disclosure documents include new information about how Super Series works which may be relevant to you. Any material changes to the terms and conditions of Super Series that are included in the disclosure documents and are not mentioned in this notice will apply only to new accounts opened after 6 June 2022, unless otherwise notified to you or agreed with you by us.

This notice includes important information about Super Series that applies to existing account holders including:

- The minimum interest rate we pay on money you hold in the cash account has been reduced.
- Updated information about payments made from your account which may result in a negative cash account balance.
- Updated information about seeking information from your Nominated Financial Adviser and their AFS Licensee.
- Updated information about the Total & Permanent Disability ('TPD') insurance definition.

What do you need to do?

You should consider this information and obtain and read the disclosure documents together with the Original PDS for the full details. These documents are available from 'Forms and documents' under 'Support' on our website or by contacting us. If you have a financial adviser, you may wish to discuss these changes with them to understand how they may impact you.

Need more information?

For more information visit our website or contact Investor Services on contact@netwealth.com.au or 1800 888 223.

Your Details

Client name

Sample

Client number

Sample

Account number

Sample

Adviser Details

Name

Sample

Phone number

Sample

For more information

 1800 888 223

 contact@netwealth.com.au

 netwealth.com.au

Our website also contains member and fund information that is updated from time to time. This includes but is not limited to past member notices, outcomes assessments and portfolio holdings disclosure information. You can access such information free of charge from 'Forms and documents' under 'Member information' on our website or by contacting us.

Summary of changes

Below is a summary of the key changes which may impact the way you use Super Series. All capitalised terms not defined in this summary have the meanings ascribed to them in the disclosure documents.

Minimum interest rate we pay on money you hold in the cash account

We have reduced the minimum interest rate that we will pay on money you have in your cash account, as shown in the table below. We have made this change because of changes to the way our bank calculates the interest paid on cash deposits.

Previous interest rate

The funds in your cash account earn monthly interest at a rate set by us and the Administrator. The rate is usually set at no less than 0.50% p.a. less than the target cash rate set by the Reserve Bank of Australia during the month (which is often referred to as the official cash rate ('Official Cash Rate')).

New interest rate

The funds in your cash account earn monthly interest at a rate set by us and the Administrator. The rate is usually set at no less than 0.65% p.a. less than the target cash rate set by the Reserve Bank of Australia during the month (which is often referred to as the official cash rate ('Official Cash Rate')). If you hold more than \$250,000 in your cash account then the rate may be lower on part or all of the amount over \$250,000.

Currently we pay no interest on your cash account as the RBA target rate is only 0.35% p.a. Information about the rate of interest you earn on funds held in your cash account is published on our website at <https://www.netwealth.com.au/web/personal/investment-options/term-deposits-and-cash>

The cash account is intended for use as a short-term transaction account and is not intended to be used as an investment option. You must maintain a minimum cash balance of 1% of your Super Series account (up to \$5,000) or \$500, whichever is greater, plus sufficient funds for income stream payments and insurance premiums. This means that the reduction in the minimum interest rate is not expected to have a significant impact on members.

If you require cash-based investments as part of your investment strategy, you can obtain information about the available investment options on our website, by contacting us, or from your adviser.

Updated information about payments from your account which may result in a negative cash account balance

If an income stream payment is due to be made from your account (or we receive an instruction from the Australian Taxation Office to release monies from your account) and there is insufficient cash in your cash account, we generally allow your cash account to go into a negative balance to fund the payment. We may, at our discretion, also allow your cash account to go negative to meet other lump sum withdrawals from your account. Generally we will only allow this to occur if the negative cash account balance is no more than 80% of the value of the liquid assets in your account.

If your cash account goes negative at any time, interest will be charged on the negative amount at the same rate as interest paid on positive cash account balances. Further details can be found in the Supplementary PDS.

Updated information about seeking information from your Nominated Financial Adviser and their AFS Licensee

We may seek and receive information or documents from your Nominated Financial Adviser and their AFS Licensee in relation to advice fees deducted from your cash account, including but not limited to fee disclosure statements or statements of advice that have been provided to you by your Nominated Financial Adviser.

Updated information about the definition of Total and Permanent Disability ('TPD')

If your date of TPD is on or after 1 December 2021 and you are aged 65 or over, or not employed at all in the previous 16 months, or were previously underwritten and restricted to the limited definition of TPD as part of special acceptance terms, the TPD definition requires meeting conditions described in the Insurance Guide. In addition, in the insurer's opinion you must have become incapacitated due to injury, sickness or disease and as a result are unlikely to engage in any occupation for which you are reasonably qualified by education, training or experience.

Other changes that have previously been updated online

Product updates

Netwealth provides new and improved functionality on an ongoing basis to ensure we continue to meet the needs of our clients. Ongoing changes to the product are published in the 'Product Disclosure Updates' section on our website. The following enhancements and changes have previously been updated on our website and are now incorporated in the new disclosure documents for Super Series:

- Income stream payment frequency changes.
- Insurance premium rate changes.
- Insurance updates for other changes to the TPD definition, maximum terminal illness benefit, and maximum eligible age for takeover terms.

The information provided in this notice is general information only and is not intended to imply any recommendation or opinion about a financial product. This information does not take into account your personal objectives, financial situation or needs. You should consider whether a financial product is appropriate for you in light of your personal objectives, financial situation and needs, and you should consider consulting a financial adviser before making a decision.

SAMPLE