

26 September 2022

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## Important changes to your account

### Super Accelerator

We are writing to you in relation to your Super Accelerator account with Netwealth and to let you know that on 26 September 2022 we issued a new Super Accelerator Product Disclosure Statement ('PDS') together with an updated Information Guide 1a: Operating your Super Accelerator account ('**Information Guide 1a**').

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

The PDS includes new information about how Super Accelerator works which may be relevant to you. The way fees and costs are disclosed have also changed however there is no increase to the fees and charges that apply to your account. Any material changes to the terms and conditions of Super Accelerator that are included in the PDS and are not mentioned in this notice will apply only to new accounts opened after 26 September 2022, unless otherwise notified to you or agreed with you by us.

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

- What happens if we receive income on your investments after your account has been closed
- New fee arrangements you may agree with your adviser for the provision of services if you use a Managed Discretionary Account
- What happens to the way you access your account if you cancel the appointment of your Nominated Financial Adviser
- Changes to the Netwealth Managed Account Service
- Changes to the Global Specialist Series managed funds

#### What do you need to do?

You should consider this information and obtain and read the PDS and Information Guide 1a 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](mailto:contact@netwealth.com.au) or 1800 888 223.

### Your Details

#### Client name

Sample

#### Client number

Sample

#### Account number

Sample

### For more information

 1800 888 223

 [contact@netwealth.com.au](mailto:contact@netwealth.com.au)

 [netwealth.com.au](https://netwealth.com.au)

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## Summary of changes

Below is a summary of the key changes which may impact the way you use Super Accelerator.

### Income received after your account has been closed

If you close your account, we may receive income on investments that were held in your account while it was open but where the income is received after your account has been closed. This is known as residual income. Where the amount of residual income is more than \$50 (after applicable tax credits and deductions are applied), we will make reasonable attempts to pay this amount to the same place that the final payment from your closed account was paid to. It is possible that the payment may not be accepted, in which case we will attempt to seek your instructions. If the amount is less than \$50 or we are not successful in making the payment or obtaining instructions from you, the amount will be retained in the Fund.

### Portfolio management fee for MDA Operators

We have arrangements with certain AFS Licensees to facilitate the payment of portfolio management fees. Portfolio management fees can be agreed between you and an AFS Licensee who provides you with investment management services, normally in the form of a Managed Discretionary Account (MDA) service. We will only apply a portfolio management fee to your account if you expressly instruct us to do so. Further details about the portfolio management fee and MDA services can be found in the PDS and Information Guide 1a.

### Change to the level of access for members who cancel the appointment of their Nominated Financial Adviser

If you currently only have browse access to your account and you cancel the appointment of your Nominated Financial Adviser, your type of access will be changed at that time to full transaction capability, unless you tell us otherwise, so that you can continue to manage your account.

### Changes to the Netwealth Managed Account Service

If you are using the Netwealth Managed Account Service (ARSN 633 923 887) ('**Managed Account**'), the following information is relevant to you.

New disclosure documents will be issued on 30 September 2022 for the Managed Account. You should consider the information below and obtain and read the Managed Account PDS for the full details. The Managed Account PDS is available from 'Forms and documents' under 'Support' on our website or by contacting us.

The following changes are being made to the Managed Account by Netwealth Investments Limited in its capacity as responsible entity of the Managed Account:

#### Minimum interest rate paid on money you hold in the Managed Account cash account

The minimum interest rate that will be paid on money you hold in the Managed Account cash account has been reduced, as shown in the table below. This change has been made because of changes to the interest paid on cash deposits.

#### Previous interest rate

The retained interest is currently set so that the rate of interest credited to each investor's Managed Account (after taking out the retained interest) is equal to the target cash rate set by the Reserve Bank of Australia at the time, often referred to as the 'official cash rate' ('**Official Cash Rate**'), less 0.50% p.a.

#### New interest rate

The funds held in the Managed Account cash account earn monthly interest at a rate set by the responsible entity. The rate is variable and is currently set at no less than 0.65% p.a. less than the Official Cash Rate.

Information about the rate of interest you earn on funds held in the Managed Account cash account is published on our website at <https://www.netwealth.com.au/web/personal/investment-options/term-deposits-and-cash>

#### International securities – currency conversion fee

If you hold international securities in the Managed Account, the international securities – currency conversion fee previously described in the Managed Account PDS no longer applies. The exchange rates used for any purchase, sale, income receipt, corporate action, or any other foreign currency requirement in relation to international securities are the exchange rates provided to the responsible entity by the third parties through which the conversion is settled.

#### Transferring investments out of the Managed Account

Additional information has been provided regarding the transfer of investments from the Managed Account to your Super Accelerator account. You may be able to transfer investments out of the Managed Account into your Super Accelerator account without the investment being sold. However, you can only transfer investments from the Managed Account to your Super Accelerator account where the investment is an investment which is available for you to hold in your Super Accelerator account. An investment may not be available for you to hold in your Super Accelerator account because:

- it is not an allowable investment in Super Accelerator; or
- you may not be eligible to hold the investment in your Super Accelerator account, for example, certain investments are only available to wholesale investors.

If you are unable to transfer the investment to your Super Accelerator account, and the investment in the Managed Account is sold, taxable capital gains or capital losses may be realised as a result. The Super Accelerator PDS provides further information on how tax applies to your Super Accelerator account.

#### What happens if a model can no longer be held in the Managed Account

Additional information has been provided regarding the circumstances where you can no longer hold a model in the Managed Account, for example, where a model is discontinued or the model is only available to clients of certain advisers and you cease to have a Nominated Financial Adviser who has access to that model. In such cases, the responsible entity suspends the rebalance, removes the investments from the reference allocation and seeks your instructions. The investment management fee does not apply to this model whilst the Managed Account is suspended for this reason.

#### Changes to the Global Specialist Series ('GSS')

If you hold any of the Global Specialist Series Funds ('the Funds') in your Super Accelerator account, the following information may be relevant to you.

New disclosure documents will be issued on 30 September 2022 for each of the Funds. You should consider the information below and obtain and read the PDSs for the Funds for the full details. The PDSs are available from 'Forms and documents' under 'Support' on our website or by contacting us.

The following changes are being made to the Funds by Netwealth Investments Limited in its capacity as responsible entity of the Funds:

#### Fund name changes

The following Netwealth Index Funds and Netwealth Active Funds are being renamed to reflect the investment manager of the Underlying Fund chosen by Netwealth Investments Limited. Please note there will be no change to the way the Funds work or how your investment in the Funds is managed:

#### Netwealth GSS Index Funds

Previous fund name	New fund name	APIR code
Netwealth Australian Bond Index Fund	BlackRock GSS Australian Bond Index Fund	NET0023AU
Netwealth Australian Property Index Fund	BlackRock GSS Australian Property Index Fund	NET0010AU
Netwealth Australian Equities Index Fund	BlackRock GSS Australian Equities Index Fund	NET0001AU
Netwealth Unhedged International Equities Index Fund	BlackRock GSS Unhedged International Equities Index Fund	NET0009AU
Netwealth Hedged International Equities Index Fund	BlackRock GSS Hedged International Equities Index Fund	NET2119AU
Netwealth Global Bond Index Fund	BlackRock GSS Global Bond Index Fund	NET5702AU

#### Netwealth GSS Active Funds

Previous fund name	New fund name	APIR code
Netwealth Active 30/70 Conservative Fund	Russell Investments GSS Active 30/70 Fund	NET0025AU
Netwealth Active 50/50 Balanced Fund	Russell Investments GSS Active 50/50 Fund	NET0006AU
Netwealth Active 70/30 Growth Fund	Russell Investments GSS Active 70/30 Fund	NET0013AU
Netwealth Active 90/10 High Growth Fund	Russell Investments GSS Active 90/10 Fund	NET0008AU

#### Updated asset allocations for the BlackRock GSS Index Plus Funds

The strategic asset allocation for the BlackRock GSS Index Plus Funds is reviewed from time to time, and at least once each year by BlackRock, who is the investment manager of these Funds. The previous and new asset allocation ranges are available in the summary of changes below. In addition, we have added five new asset classes to the asset allocation table to provide you with greater transparency on where the Funds are invested. Please note there is no change to the existing investment strategy.

## BlackRock GSS Index Plus Conservative Fund (NET0004AU)

### Before – Asset allocation ranges

Asset class	Minimum (%)	Strategic asset allocation (%)	Maximum (%)
Australian equities	5	11	16
International equities	10	16	21
International property	0	3	8
Alternatives*	0	3	8
Australian fixed interest	20	25	30
International fixed interest	13	18	23
Cash	15	24	33

\*Alternative investments are strategies that do not invest in the traditional asset classes being cash, fixed income, property and equities. This includes strategies such as private equity, hedge funds, managed futures and commodities.

### After – Asset allocation ranges

Asset class	Minimum (%)	Strategic asset allocation (%)	Maximum (%)
Australian equities	0	11	20
International equities	0	8	20
Emerging markets equities	0	5	10
International property	0	2.5	10
Listed infrastructure	0	5	10
Australian fixed interest	5	15	30
Australian inflation-linked bonds	0	12	20
International fixed interest	0	10	25
Global high yield	0	3	10
Alternatives (Defensive)*	0	2	10
Gold	0	3	10
Cash	5	23.5	30

## BlackRock GSS Index Plus Balanced Fund (NET0002AU)

### Before – Asset allocation ranges

Asset class	Minimum (%)	Strategic asset allocation (%)	Maximum (%)
Australian equities	8	16	24
International equities	20	28.5	36
International property	0	4	9
Alternatives*	0	3	9
Australian fixed interest	14	20	26
International fixed interest	10	16.5	23
Cash	6	12	18

\*Alternative investments are strategies that do not invest in the traditional asset classes being cash, fixed income, property and equities. This includes strategies such as private equity, hedge funds, managed futures and commodities.

### After – Asset allocation ranges

Asset class	Minimum (%)	Strategic asset allocation (%)	Maximum (%)
Australian equities	5	16	30
International equities	5	18	30
Emerging markets equities	0	7	15
International property	0	5	10
Listed infrastructure	0	5	10
Australian fixed interest	0	9	20
Australian inflation-linked bonds	0	10	20
International fixed interest	0	8	20
Global high yield	0	4	10
Alternatives (Defensive)*	0	2	10
Gold	0	5	10
Cash	0	11	20

## BlackRock GSS Index Plus Growth Fund (NET0027AU)

### Before – Asset allocation ranges

Asset class	Minimum (%)	Strategic asset allocation (%)	Maximum (%)
Australian equities	14	24	34
International equities	30	40	50
International property	0	5	11
Alternatives	0	2	8
Australian fixed interest	8.5	16.5	24.5
International fixed interest	2.5	10.5	18.5
Cash	0	2	6

\*Alternative investments are strategies that do not invest in the traditional asset classes being cash, fixed income, property and equities. This includes strategies such as private equity, hedge funds, managed futures and commodities.

### After – Asset allocation ranges

Asset class	Minimum (%)	Strategic asset allocation (%)	Maximum (%)
Australian equities	10	24	40
International equities	10	29.5	40
Emerging markets equities	0	7.5	15
International property	0	5	10
Listed infrastructure	0	5	10
Australian fixed interest	0	5	20
Australian inflation-linked bonds	0	6	20
International fixed interest	0	3	20
Global high yield	0	5	15
Alternatives (Defensive)	0	2	15
Gold	0	6	15
Cash	0	2	15

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.