

31 August 2017

Sample Client  
5 Residential Street  
Melbourne VIC 3000

netwealth Investments Ltd  
ABN 85 090 569 109  
AFSL 230975  
Level 8/52 Collins Street  
Melbourne VIC 3000  
PO Box 336  
South Melbourne VIC 3205

---

## Netwealth Superannuation Master Fund

### Notification of changes to Russell Investments Super Series

We are writing to tell you about some important changes to your Russell Investments Super Series account, which are detailed on the following pages. The Super Series PDS is expected to be re-issued on or around 7 September 2017.

The updated PDS, which will contain the full details of these changes, will be available on our website or by contacting us directly on 1800 888 223.

#### More information

For more information regarding these changes please contact Investor Services on Freecall 1800 888 223 or via email to [contact@netwealth.com.au](mailto:contact@netwealth.com.au)

Thank you for using Netwealth.

---

### Your Details

**Account name**  
Sample

**Client number**  
Sample

**Account number**  
Sample

---

### Adviser Details

**Adviser name**  
Sample

**Phone number**  
Sample

For more information

 1800 888 223

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

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

## 1. Changes to superannuation regulations

Over the last 12 months the government has announced a range of changes to superannuation regulations and tax. The updated PDS and Information Guides will contain details of the changes to superannuation which took effect on 1 July 2017. A summary of the superannuation changes is set out below:

- introduction of cap on balances in retirement phase income streams that are exempt from tax on earnings, set initially at \$1.6 million;
- removal of the tax exemption on investment earnings for transition to retirement income streams, prior to satisfying a condition of release. If, having started a TTR Income Stream, a member meets an applicable condition of release, the TTR Income Stream is in 'retirement phase' and the earnings and realised capital gains will not be taxed within the Fund and the restrictions on commutation to a lump sum and the 10% maximum pension limit cease to apply;
- reduction in the annual concessional (before tax) contributions cap to \$25,000;
- reduction in the annual non-concessional (after tax) contributions cap to \$100,000;
- introduction of catch-up concessional contributions over a 5-year period (from 1 July 2018);
- increase in income threshold for spouse superannuation tax offset to \$37,000;
- reduction in the income threshold for the definition of very high income earners to \$250,000;
- removal of option to treat a pension payment as a lump sum payment, for tax purposes;
- removal of anti-detriment provisions for superannuation death benefits;
- restricting the ability of individuals to make non-concessional contributions to those with total superannuation savings of less than \$1.6 million; and
- removal of the requirement that an individual must earn less than 10% of their income from employment-related activities to be eligible to claim a tax deduction for personal contributions made to superannuation.

We have made amendments to the Trust Deed and to our processes to enable these changes to be implemented.

## 2. Operational Risk Financial Requirement

As the trustee of the Fund, the Australian Prudential Regulation Authority requires us to have an amount kept available to address operational risk events that may affect our business operations. This is known as the Operational Risk Financial Requirement or 'ORFR'. We meet the ORFR with a combination of accumulated reserves held within the Fund and our own capital that we put aside specifically for that purpose. The capital that we put aside for this purpose is provided by our parent company and we pay our parent company a fee for the use of that money, based on the amount of capital provided. The fee is reimbursed from the Fund and the cost is apportioned between each member's account based on the value of their investments.

We currently estimate that an amount up to 0.025% p.a. of the value of your account (calculated daily) will be deducted from your cash account quarterly<sup>1</sup>. We expect that the actual amount deducted will be less than 0.025% p.a. and that it will change from time to time because the size of the ORFR and the cost of capital are likely to change. Your annual statement will set out all amounts charged for the ORFR.

<sup>1</sup> Calculation of the ORFR amount to be deducted from members' accounts will commence on or after 1 October 2017 and deducted on 31 December 2017 or earlier withdrawal.

### **3. Illiquid assets in Income Stream accounts**

If you invest in the Income Stream Service and if, at any time you are likely to have insufficient liquid assets in your account to enable us to pay your minimum income payment when it becomes due, changes to the Trust Deed allow us to transfer your entire account from the Income Stream Service to Personal Super. This helps us reduce the chance that you may breach the minimum income requirements for your income stream.

### **4. Changes to meeting notifications**

From time to time we may be notified of unit holder meetings (in relation to managed funds). If we deem such a meeting to be material, information about the meeting will be made available on our website. Details of meetings will be displayed on the website under 'Corporate Actions'. We encourage you to check the website periodically for any new notifications. As information regarding meeting notices will now be made available online, we will no longer send you or your adviser meeting notifications via email or post. Further information on the voting process will be available on the meetings page, and is contained in our voting policies, which are available by contacting us.

### **5. Changes to the way fees are disclosed**

New legal requirements have been introduced which change the way fees and costs are described in the PDS. The fees and costs of the product have not changed but the way fees and costs are set out in the updated PDS is different and more information on these fees and costs is provided. If you are not sure if a fee or cost applies to you, please discuss this with your financial adviser or contact us.