

Below is an explanation of each of the changes as it will be provided to your clients. A reference to 'you' or 'your' means 'your clients'.

## Super Accelerator and Super Wrap: Key changes to the way you use the products

Below is a summary of the key changes in the new disclosure documents<sup>1</sup> which may impact the way you use Netwealth's products. You should obtain and read the disclosure documents for the full details. The disclosure documents are available from the 'Forms and documents' section on our website.

### Introduction of minimum balance requirements

We have introduced minimum account balance requirements to help us meet new regulatory obligations in relation to fees on small account balances. If you request a partial withdrawal in the form of a lump sum benefit payment or a transfer within the Fund, we may require that you retain at least \$10,000 in your account or that you close your account. If you instruct us to rollover some of your benefit to another superannuation fund, we may refuse to process an instruction that takes your account balance below \$6,000 unless you withdraw the full amount and close your account.

### Communications via SMS

From time to time it will be necessary for us to confirm certain transactions or changes to your account with you. For your convenience we have introduced confirmation messages sent to your mobile phone. We may seek your authority or confirmation of certain transactions using SMS mobile phone messages, and you may be asked to provide your mobile phone number for use in relation to these transactions.

### Additional services and fees

We have introduced some new services, and if you decide to use them an additional transaction fee may apply at that time. The following fees will apply from **22 August 2019**. These transaction fees will only apply if you choose to use the relevant transactions or services.

Type of transaction cost	Description
Real Time Gross Settlement ('RTGS') fee	You may ask us to pay withdrawal proceeds to your nominated bank account on the same day using RTGS. A \$50.00 fee is charged to your account when you instruct us to pay withdrawal proceeds using RTGS.
International payments fee	You may ask us to pay withdrawals to an overseas bank account. A \$50.00 fee is charged to your

<sup>1</sup> The disclosure documents are the PDS for Super Accelerator and Super Wrap and incorporated documents.

Type of transaction cost	Description
International securities – brokerage fee on trades through our nominated broker	<p>account when you instruct us to pay withdrawal proceeds to an international bank account.</p> <p>When trading in international securities you may instruct us to implement the trade through our nominated broker. A fee for brokerage services equal to 0.20% of the trade value (with a minimum of \$38.50 per trade) is charged to your account when you purchase or sell international securities through our nominated broker. You will not be charged separate brokerage by our nominated broker.</p> <p>Alternatively, you may continue to use the current arrangements and instruct us to settle international securities trades conducted through an approved external broker. That is, a \$25.00 settlement fee will be charged by Netwealth and a brokerage fee will be paid to the broker at the rate you agreed with them.</p>
International securities – currency conversion fees and costs	<p>We have changed the way we convert currencies on international securities trades to provide you with greater clarity of the fees and exchange rates associated with international trading. When you instruct us to convert currency within your account, a margin of up to 0.45% may be applied to the prevailing spot price available in wholesale/inter-bank foreign exchange markets. We retain this margin, less any margin we pay to third parties to complete this conversion, as a fee.</p>
Class action costs	<p>We may participate in class actions on behalf of the Fund. If we participate in a class action and it is successful (i.e. we receive proceeds), we are entitled to recover our costs from the proceeds prior to the distribution of entitlements to the relevant members.</p>

### The Managed Account

If you are using or choose to use our Managed Account, we are changing the way we provide you access to Managed Models for an easier to use and more efficient service.

**On 1 July 2019**, the Netwealth Managed Account ('**NMA**') was closed to new investors and replaced by the Netwealth Managed Account Service ('**NMAS**'). The disclosure documents issued on 1 July 2019 refer to the new Netwealth Managed Account Service. Below is a summary of what this means for you:

- If you currently have investments in Managed Models
  - There is no change to your investments and you can continue to make additional investments in the Managed Models you already hold.
  - You have the option to transfer your Managed Models to NMAS. We will tell you and your adviser more about the option to transfer over the coming months.

- If you did not have investments in Managed Models before 1 July 2019, you will now have access to Managed Models through NMAS. To select Managed Models, use our online trading functionality. Before doing so you should obtain and read the NMAS PDS which is available on our website.

### **New external complaints body**

Due to regulatory changes the Superannuation Complaints Tribunal has been replaced with the Australian Financial Complaints Authority ('**AFCA**'). If you have a complaint about our service and it has not been satisfactorily dealt with, you may be able to refer your complaint to AFCA free of charge.

### **Delisted securities**

We have implemented a new process for dealing with direct shares which have become delisted. Where you have an investment in a share and we are notified that a company has voluntarily chosen to be delisted from the ASX, we will provide you notice and give you the option to either sell or transfer the holding to your name (subject to preservation rules). If we receive no instructions, we will sell the holding on the last day of trading.

### **Changes to superannuation regulations**

Over the past few months the government has announced a range of changes to superannuation regulations. Some of the key changes covered in the new disclosure documents are:

- introduction of a one-year exemption from the contributions work test for those aged over 65 with a super balance under \$300,000;
- introduction of additional requirements for superannuation funds to pay small and inactive accounts to the Commissioner;
- introduction of fee caps on small superannuation accounts, where fees are capped at 3% of the account balance for accounts with a balance of less than \$6,000 at the end of the financial year;
- removal of all exit fees from superannuation funds; and
- amendments under which a reversionary pensioner is no longer required to meet a condition of release for the death benefit income stream to continue to be paid to them.

### **Other changes included in the new disclosure documents**

#### **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:

- The addition of selected Managed Models to Super Accelerator Core
- Managed Models are now available to be nominated as part of your auto sell-down profile
- Introduction of the First Home Super Saver Scheme
- Introduction of downsizing contributions into superannuation
- Introduction of 'cash settings' functionality to provide greater flexibility in managing and investing from your cash account
- Increased frequency of the payment of family fee rebates

- Restrictions on investment by European residents as a result of European privacy laws.

### **Changes to the way we present our Investment Menu**

The Accessible Managed Funds Menu has been replaced with a new '**Investment Menu**'. Information about each of the investment options available in Super Accelerator and Super Wrap is contained in the Investment Menu in the '**Forms and documents**' section of our website, or free-of-charge upon request by contacting us.

### **Consolidation of the disclosure documents**

We have consolidated the Netwealth Superannuation Master Fund Information Guides as summarised below:

- Information Guide 2a, Information Guide 3 and Information Guide 4 have been consolidated into one new guide called '**Information Guide 1a: Operating your Super Accelerator account**'.
- Information Guide 2b, Information Guide 3 and Information Guide 4 have been consolidated into one new guide called '**Information Guide 1b: Operating your Super Wrap account**'.
- Information Guide 5 to Information Guide 12 have been consolidated into one new guide called '**Information Guide 2: Additional Information about Superannuation**'.