



28 September 2018



142269/A/000005 D-005

**Private and Confidential**

Ms Sample Member

1 Main Street

BRISBANE QLD 4000

### Significant Event Notice – Successor Fund Transfer

Member No: XXXXXX

TFN Status: Valid

Dear Ms Member,

As the trustee of Freedom of Choice it is our pleasure to announce an ‘in-principle’ decision to merge Freedom of Choice with AMG Super. AMG Super is an exciting and growing superannuation fund which is specifically designed to offer members and their advisers with greater flexibility to take control of their superannuation and retirement outcomes.

The values and design of Freedom of Choice and AMG Super are very much aligned, so combining the two funds will deliver significant benefits to members, including a reduction in administration fees and greater investment choice.

Following a significant review to deliver better value to members, Equity Trustees Superannuation Limited (**ETSL**), as trustee of the Freedom of Choice division of The Executive Superannuation Fund (**FOC**), has made an ‘in-principle’ decision to transfer the members and assets in FOC to AMG Super ABN 30 099 320 583 (**AMG Super**), by successor fund transfer (**SFT**) with effect from **1 November 2018**.

This Significant Event Notice (**Notice**) summarises the impact of the SFT on your benefits in FOC. The enclosed *Freedom of Choice Transfer - Important Information About the SFT* outlines further information about the SFT and details any material impacts relevant to your benefits.

### When and how will the transfer take place?

It is intended that all members and assets of FOC will transfer to AMG Super with effect from **1 November 2018**. This transfer is permitted to occur without members’ consent so long as ETSL, as trustee of FOC and AMG Super, is satisfied that the rights that each member of FOC has in relation to benefits will be equivalent (or better) upon transfer to AMG Super.

ETSL’s ‘in-principle’ decision is subject to the completion of due diligence and final legal advice. In the unlikely event that the transfer does not proceed you will receive a further notice.

### What does the transfer mean for your account?

The good news is that your account will automatically transfer across and all your existing nominations will remain in place if you do not opt out of the transfer.

Below are more specifics about what the transfer means for your account:

- **Membership:** You will cease to be a member of FOC and will become a member of the Freedom of Choice Division of AMG Super. Your account will continue to be branded as Freedom of Choice and your member number will remain the same.
- **Account balance:** Your account balance will be transferred from FOC to AMG Super from the transfer date. No exit fee will apply in relation to the transfer. For choice members no buy-sell spread applies, and your opening account balance in AMG Super will be the same as your closing account balance in FOC. For MySuper members, a buy-sell spread applies, and your closing account balance in FOC and opening account balance in AMG Super will reflect the applicable buy-sell spread adjustments.
- **Pension Payments:** If you have a pension account, your pension payments will continue to be paid in accordance with the arrangements that currently apply to your pension account in FOC subject to applicable minimum payment standards as prescribed in superannuation legislation. Please see the enclosed *Freedom of Choice Transfer - Important Information About the SFT* for more information.
- **Fees and Cost:** You will enjoy a reduction in administration fees following the transfer. Please refer to the attached *Important Information Sheet* for more specific comparison of the current fees in FOC and what the fees will be under the Division of AMG Super.
- **Investment options:** All investment options, with the exception of the MySuper MyLife option, will be transferred into AMG Super. Members invested in the MySuper MyLife investment option will be transferred into the AMG Super MySuper option which has a similar objective, although slightly different asset allocation. A buy/sell fee will be incurred as part of this transfer. The enclosure provides a side by side comparison.
- **Insurance cover:** Any insurance you have in FOC immediately prior to the transfer (including type of cover, level of cover and terms and conditions of cover) will be transferred to AMG Super. There will be no change to your premiums.
- **Death benefit nominations:** Any non-binding death benefit nomination you have in place in FOC will remain in place following the transfer to AMG Super.

Any valid binding death benefit nomination you have in place in FOC will be recognised following the transfer to AMG Super until the earliest of:

- (a) you revoke the binding nomination;
- (b) you submit a new binding nomination; or
- (c) the date that is 3 years after the date on which your binding nomination in FOC was first signed or last confirmed or amended.

- **Online login:** Your online login details will remain the same.
- **Ongoing Advice fees:** In addition to the fees and costs detailed in the attached *Important Information sheet*, ongoing or recurring adviser remuneration ('Ongoing Advice fees'), may also currently be deducted from your FOC account on the last day of each month as previously agreed between you and your adviser. Upon transfer of your benefit to AMG Super, the Ongoing Advice fees will continue to be deducted for a further 13 months, unless we are instructed otherwise by you. After this time the deductions will cease unless we receive the prescribed forms that evidence your agreement to the ongoing payment of fees. To renew or vary the deduction of the Ongoing Advice fees from your superannuation account, please contact your financial adviser.

For further information, please refer to the enclosure.

## Other Important Information

### Unique Superannuation Identifier (USI) not changing

There is no change to the USI – an identifying number used by employers to facilitate the payment of employee superannuation contributions. For members who have contributions paid into their account by their employer, this means there is no need to advise your employer about the fund transfer.

### Tax File Number (TFN)

If you have not provided your TFN, your employer contributions or any other before tax contributions (concessional) will be subject to 34% additional income tax on top of the 15% tax paid. If you provide your TFN before the transfer of your account, the fund is entitled to claim a tax offset for the amount of tax paid (if the TFN is supplied within a four-year period). This tax offset is not available once your account transfers into AMG Super.

### Transaction freeze period

As a consequence of the SFT, we will not be processing any transactions (such as switches or withdrawals) for 7 business days from **29 October 2018 to 7 November 2018**. Any requests received during this period will be processed **from 8 November 2018 applying the unit prices as at the date of processing**.

### How to opt-out of the transfer

If you do not want your account transferred to AMG Super on 1 November 2018, you will need to request the rollover of your entire account to another superannuation fund or payment of your account balance (if eligible). To do so, please contact FOC on 1800 806 013 as soon as possible to obtain the relevant form to complete. You must complete and return the form to FOC by no later than 26 October 2018.

Please note that if your account balance is rolled-over to another superannuation fund or paid out to you (if eligible), an exit fee will be payable and any insurance cover you have will be cancelled. We recommend you seek your own advice from a qualified adviser on these matters.

### More information

In late November/early December 2018, AMG Super will send you a Welcome Pack outlining your membership in the Freedom of Choice Division of AMG Super. AMG Super is also required to give, or make available to you, a PDS applicable to your membership in the FOC Division of AMG Super. AMG Super may use electronic means to give you the PDS and other documents relating to your membership (unless you specifically opt out in writing). A PDS containing further information about the FOC Division of AMG Super relevant to your account will be made available on the FOC website [www.freedomofchoice.com.au/pds-and-forms](http://www.freedomofchoice.com.au/pds-and-forms) or on request after the transfer.

Please refer to the AMG Super Notice below for important information about how communications may be delivered to you.

**Issued by Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757 as  
Trustee of Freedom of Choice division of The Executive Super Fund ABN 60 998 717 367.**

### Disclaimer

The information in this notice is general information only and does not consider your particular objectives, financial circumstances or needs. You should consider obtaining professional advice about your circumstances before making any financial or investment decisions based on the information in this notice.

### **AMG Super Notice – Member communications in AMG Super**

This notice is issued by Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757 as trustee of AMG Super.

The Trustee may provide or make available to you electronically (for example, via the AMG Super or Freedom of Choice websites), the following information or information of the following type:

- Product Disclosure Statements
- Financial Services Guides
- Periodic statements (excluding exit statements)
- Annual reports
- Disclosures regarding material changes and significant events
- Statements of Advice
- Additional product information (requested from us)

**unless** you specifically elect not to receive these communications or types of communications by electronic means.

If you do not want to receive communications from AMG Super electronically (e.g. you would prefer to have the hard copy posted to you), please write to us at:

AMG Super  
PO Box 3528  
Tingalpa DC QLD 4173

Please note your request to opt-out of electronic communications from AMG Super must be in writing and include your full name, date of birth, address, member number and signature

# Freedom of Choice Transfer

## Important information about the Successor Fund Transfer

### Why is Freedom of Choice transferring to AMG Super?

ETSL believes that the outcome of the SFT will be a larger fund with more members and assets.

The values and design of Freedom of Choice and AMG Super are very much aligned. In combining the two funds there will be significant benefits to members, including a reduction in fees and greater investment choice.

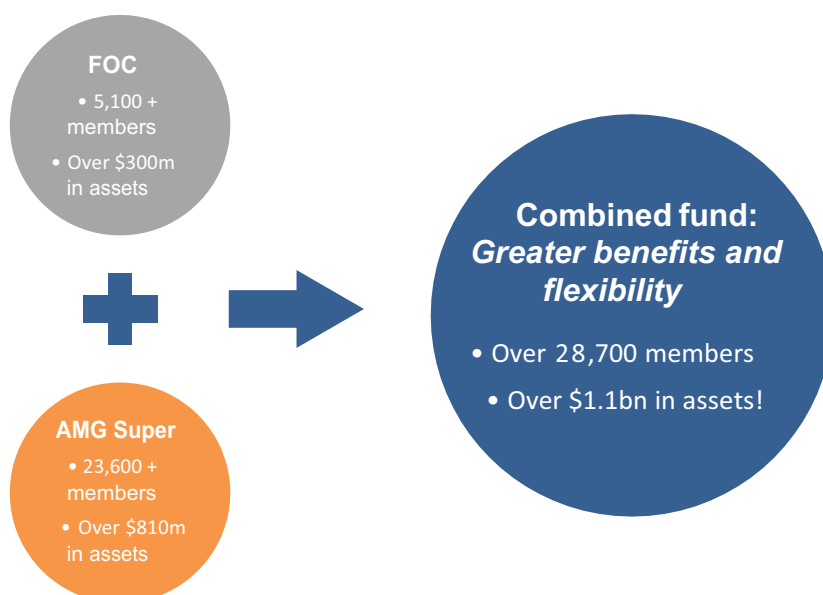
This larger, combined fund will have additional purchasing power to negotiate lower costs with its service providers over the long term. Such savings may then be passed on to you through enhanced services and benefits and/or lower fees..

### Who is AMG Super?

AMG Super is a superannuation master trust designed to provide financial security for its members and their retirement savings. AMG Super caters to different types of members and products, including accumulation accounts for employer-sponsored members and personal members, as well as pension accounts for retirees.

### Why AMG Super?

AMG Super has been specifically designed to provide flexibility and choice for members and their advisers to take control of their super. AMG Super offers a wide range of investment options in which members can choose to invest their superannuation assets, including a MySuper product. AMG Super also offers greater insurance benefits and flexibility.

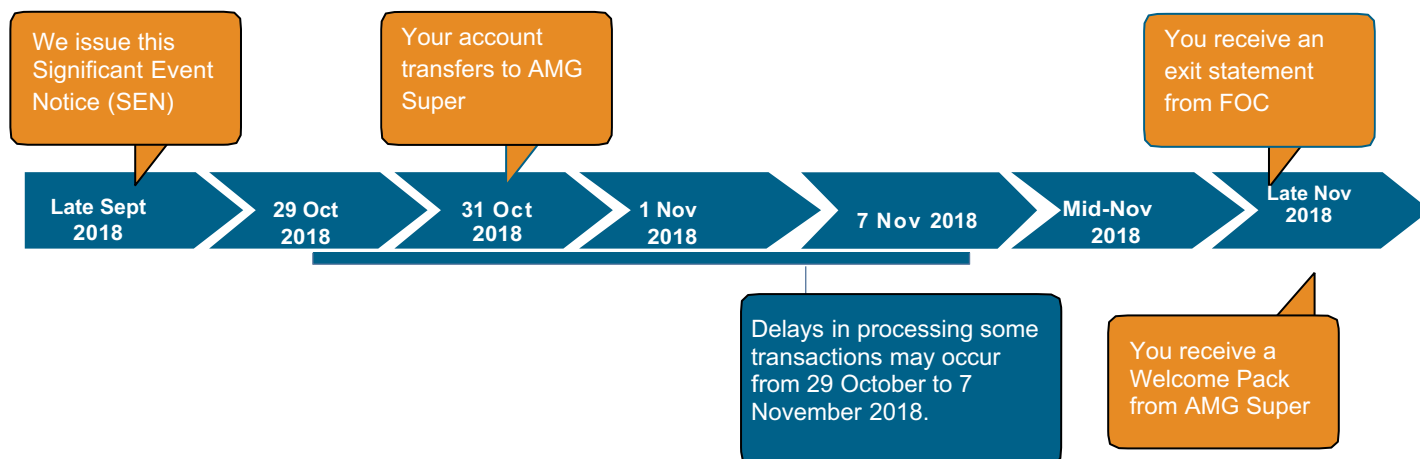


Figures as at July 2018.

## When will the transfer occur?

Subject to the satisfaction of all legal requirements, the members and assets of Freedom of Choice will be transferred to AMG Super with effect from 1 November 2018.

This means that from 1 November 2018 you will cease to be a member of Freedom of Choice and will become a member of the Freedom of Choice Division of AMG Super.



## If you have an insurance claim, benefit payment or family law matter in progress in Freedom of Choice

Should you have an urgent family law matter or benefit claim such as financial hardship or TPD with Freedom of Choice during the suspension on processing, please contact 1800 806 013 to check the progress of your claim.

Insurance claims in progress in Freedom of Choice will continue to be assessed by the relevant Insurer, the trustee of AMG Super will become responsible for finalising the claims, and paying any insured benefits accepted by the Insurer.

## If you have a Pension account

Your pension payments will continue to be paid in accordance with the arrangements that currently apply to your pension account in FOC subject to:

- any change in payment arrangements you may request, or
- any change that is required to be made by the trustee of FOC to ensure applicable minimum (and, in the case of transition to retirement pensions, maximum) payment standards prescribed in the superannuation legislation are adhered to. For example, this means you may not receive a pension payment amount that you were otherwise scheduled to receive, so that the minimum pension payment amount for the period 1 July 2018 to 31 October 2018 is made to you in accordance with the prescribed standards.

Your pension payments in AMG Super will be paid in accordance with arrangements applicable to your pension account in FOC as at the transfer date, subject to any adjustment that must be made by the trustee of AMG Super for adherence to prescribed payment standards for the period 1 November 2018 to 30 June 2019 and subsequent financial years, and any variation to the regularity or amount of your pension that you may request on or after 1 November 2018.

## Investment details for the MySuper investment options

From 1 November 2018, members who were invested in Freedom of Choice MySuper MyLife immediately prior to that date will have their interest transferred into the AMG MySuper option.

A comparison of these MySuper investment options is shown in the table below. Please note that the trustee of AMG Super may vary, add or remove available investment options.

	Investment details for Freedom of Choice MySuper MyLife option	Investment details for AMG MySuper option																																
Description of option	A single diversified portfolio of investments in cash, listed property and infrastructure, alternative assets, fixed interest securities, Australian and International shares.	A single diversified portfolio of investments in cash, listed property, fixed interest securities, Australian and International shares.																																
Suitable for	Members seeking a diversified investment over a broad range of asset classes, in order to achieve a diversified capital growth-based return with moderate income.	Members seeking a diversified investment over a broad range of asset classes, in order to achieve a diversified capital growth-based return with moderate income.																																
Strategic Asset Allocation (neutral position) <sup>1</sup>	<table border="0"> <tr> <td>Australian Shares</td> <td>34%</td> </tr> <tr> <td>International Shares</td> <td>22%</td> </tr> <tr> <td>Listed Property</td> <td>2%</td> </tr> <tr> <td>Listed Infrastructure</td> <td>2%</td> </tr> <tr> <td>Alternatives</td> <td>10%</td> </tr> <tr> <td>Australian Fixed Interest</td> <td>16%</td> </tr> <tr> <td>International Fixed Interest</td> <td>10%</td> </tr> <tr> <td>Cash</td> <td>4%</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>100%</b></td> </tr> </table>	Australian Shares	34%	International Shares	22%	Listed Property	2%	Listed Infrastructure	2%	Alternatives	10%	Australian Fixed Interest	16%	International Fixed Interest	10%	Cash	4%	<b>TOTAL</b>	<b>100%</b>	<table border="0"> <tr> <td>Australian Shares</td> <td>35%</td> </tr> <tr> <td>International Shares</td> <td>25%</td> </tr> <tr> <td>Listed Property</td> <td>10%</td> </tr> <tr> <td>Australian Fixed Interest</td> <td>15%</td> </tr> <tr> <td>International Fixed Interest</td> <td>10%</td> </tr> <tr> <td>Cash</td> <td>5%</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>100%</b></td> </tr> </table>	Australian Shares	35%	International Shares	25%	Listed Property	10%	Australian Fixed Interest	15%	International Fixed Interest	10%	Cash	5%	<b>TOTAL</b>	<b>100%</b>
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Investment return objective	To achieve returns (net of fees and taxes on investments) exceeding the Consumer Price Index (CPI) + 3.0% p.a. over rolling 7 year periods	To achieve returns (net of fees and taxes on investments) that exceed movements in the Consumer Price Index (CPI) by at least 3.0% p.a. over rolling 10 year periods.																																
Minimum suggested timeframe	7 years	4 to less than 6 years																																
Risk Level <sup>2</sup>	High (Risk Band 6). Probability of negative returns is 3 to less than 4 years in 20 years	High (Risk Band 6). Probability of negative returns is 4 to less than 6 years in 20 years																																

<sup>1</sup> The 'neutral' position is the option's benchmark and the mix is varied around the benchmark according to the Trustee's views of the relative risks and returns of each asset sector.

<sup>2</sup> Based on a Standard Risk Measure developed by the superannuation industry.

## Fees in the Freedom of Choice Division of AMG Super

The following table shows the main fees and costs that currently apply to your account in FOC and those that will apply to your account upon transfer to the Freedom of Choice Division of AMG Super:

Type of Fee	Freedom of Choice Division of The Executive Super Fund (up to 1 November 2018)	Freedom of Choice Division of AMG Super (from 1 November 2018)	How and When Paid (from 1 November 2018)																																
Investment Fee	<p><b>MySuper MyLife:</b> 0.50% of assets p.a (estimated)</p> <p><b>Other Options:</b> Nil</p>	<p><b>AMG MySuper:</b> 0.03% of assets p.a. (estimated)</p> <p>Other Options: Nil</p>	Deducted from the assets of the investment option. The deduction is reflected in the daily unit price for the AMG MySuper option and the weekly unit price for all other options.																																
Administration Fee	<p><b>MySuper MyLife:</b> \$117.26 per annum Plus 0.62% of assets p.a. (estimated)</p> <p><b>Other Options:</b> \$117.26 per annum Plus</p> <p><b>Personal Super Service</b></p> <table border="1"> <thead> <tr> <th>Member Account balance</th> <th>Fee % p.a.</th> </tr> </thead> <tbody> <tr> <td>First \$250,000</td> <td>0.79</td> </tr> <tr> <td>Next 250,000</td> <td>0.71</td> </tr> <tr> <td>Amounts over \$500,00</td> <td>0.10</td> </tr> </tbody> </table> <p><b>Personal Retirement Service</b></p> <table border="1"> <thead> <tr> <th>Member Account balance</th> <th>Fee % p.a.</th> </tr> </thead> <tbody> <tr> <td>First \$250,000</td> <td>0.93</td> </tr> <tr> <td>Next 250,000</td> <td>0.84</td> </tr> <tr> <td>Amounts over \$500,00</td> <td>0.12</td> </tr> </tbody> </table>	Member Account balance	Fee % p.a.	First \$250,000	0.79	Next 250,000	0.71	Amounts over \$500,00	0.10	Member Account balance	Fee % p.a.	First \$250,000	0.93	Next 250,000	0.84	Amounts over \$500,00	0.12	<p><b>AMG MySuper:</b> \$65.00 per annum plus 0.56% of assets p.a. (estimated)</p> <p><b>Other Options:</b> \$100.00 per annum Plus</p> <p><b>Personal Super Service</b></p> <table border="1"> <thead> <tr> <th>Member Account balance</th> <th>Fee % p.a.</th> </tr> </thead> <tbody> <tr> <td>First \$250,000</td> <td>0.79</td> </tr> <tr> <td>Next 250,000</td> <td>0.71</td> </tr> <tr> <td>Amounts over \$500,000</td> <td>0.10</td> </tr> </tbody> </table> <p><b>Personal Retirement Service</b></p> <table border="1"> <thead> <tr> <th>Member Account balance</th> <th>Fee % p.a.</th> </tr> </thead> <tbody> <tr> <td>First \$250,000</td> <td>0.93</td> </tr> <tr> <td>Next 250,000</td> <td>0.84</td> </tr> <tr> <td>Amounts over \$500,00</td> <td>0.12</td> </tr> </tbody> </table>	Member Account balance	Fee % p.a.	First \$250,000	0.79	Next 250,000	0.71	Amounts over \$500,000	0.10	Member Account balance	Fee % p.a.	First \$250,000	0.93	Next 250,000	0.84	Amounts over \$500,00	0.12	<p>Dollar based fee deducted at the end of each month, or on exit from the Fund, in arrears from your account balance.</p> <p>Percentage based fee deducted from the assets of the investment option. The deduction is reflected in the daily unit price for the AMG MySuper option and the weekly unit price for all other options.</p>
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Buy-sell spread	<p><b>MySuper MyLife:</b> Nil</p> <p><b>Other Options:</b> 0% - 0.55% depending on investment option.</p>	<p><b>AMG MySuper:</b> +0.09%/-0.10%</p> <p><b>Other Options:</b> 0% - 0.55% depending on investment option.</p>	The deduction is reflected in the unit price when units are bought and sold																																
Switching Fee	Nil	Nil	Nil																																
Exit Fee	\$30.75 per withdrawal	\$50 per withdrawal	Deducted from your account balance on each withdrawal																																
Other Fees and Costs <sup>1</sup>	Various	Various	Deducted from your account balance, as applicable																																
Indirect Cost Ratio (ICR)	<p><b>MySuper MyLife:</b> 0.13% of assets p.a. (estimated)</p> <p><b>Other Options:</b> 0.00% - 7.34% of assets p.a. (estimated) depending on investment option.</p>	<p><b>AMG MySuper:</b> 0.32%<sup>2</sup> of assets p.a. (estimated)</p> <p><b>Other Options:</b> 0.00% - 7.34% of assets p.a. (estimated) depending on investment option.</p>	Deducted from underlying assets of the MySuper product or investment option before returns are received by the Fund. The deduction is reflected in the daily unit price for the AMG MySuper option and the weekly unit price for all other options.																																

1. Other fees may apply, including activity fees, advice fees for personal advice or insurance fees (as applicable)

2. Under government regulations, the ICR for AMG MySuper must be calculated based on the experience of this product for the last financial year (that is, the year ending 30 June 2018). The actual ICR may differ from the estimated ICR. All estimated fees and costs are subject to variation from year to year.



**Note:** If you have an alternative fees arrangement in place these, the same arrangement will continue upon transfer to the Freedom of Choice Division of AMG Super. There will be no increase in fees if you have an alternative fee arrangement in place.

Further information about the fees and costs applicable to your account in FOC can be found in the Product Disclosure Statement (PDS) available at [www.freedomofchoice.com.au/pds-and-forms/](http://www.freedomofchoice.com.au/pds-and-forms/) and any significant event notices you have previously received from us.

### Example of annual fees and costs

The below tables give an example of how the fees and costs for the FOC MySuper option and the AMG MySuper option, as shown above can affect your superannuation investment over a 1-year period.

Example: MySuper MyLife Option		BALANCE OF \$50,000
Investment fees	0.50%	For every \$50,000 you have in the superannuation product you will be charged \$250 each year
<b>PLUS</b> Administration fees	\$117.26 (\$9.77 per month) Plus 0.62%	<b>And</b> , you will be charged \$117.26 in administration fees each year regardless of your balance <b>Plus</b> \$310 per year in administration fees based on a percentage of your balance
<b>PLUS</b> Indirect costs for the MySuper MyLife product	0.13%	<b>And</b> , indirect costs of \$65 each year will be deducted from your investment
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$742.26</b> for the superannuation product.

Example: AMG MySuper Option		BALANCE OF \$50,000
Investment fees	0.03%	For every \$50,000 you have in the superannuation product you will be charged \$15 each year
<b>PLUS</b> Administration fees	\$65 (\$1.25 per week) Plus 0.56%	<b>And</b> , you will be charged \$65 in administration fees each year regardless of your balance <b>Plus</b> \$280 per year in administration fees based on a percentage of your balance
<b>Buy-Sell Spread</b>	<b>AMG MySuper:</b> +0.09%/- 0.10%	The deduction is reflected in the unit price when units are bought and sold
<b>PLUS</b> Indirect costs for the MySuper product	0.32%*	<b>And</b> , indirect costs of \$160 each year will be deducted from your investment
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$520*</b> for the superannuation product.

\* Note: Actual fees and costs may vary from estimated fees and costs. Other fees, including buy-sell spreads, may apply during the year.

## Additional Information

### If you chose Freedom of Choice for your employer contributions

If Freedom of Choice is your 'chosen' fund, your employer will be contributing any compulsory (Superannuation Guarantee) contributions for you to your Freedom of Choice account. On the transfer of your account to AMG Super, the Freedom of Choice Division of AMG Super will be treated as your 'chosen fund' and your employer can make its contributions to your AMG Super account from 1 November 2018.

### Your exit statement and AMG Super Welcome Pack

An exit statement will be sent to you from the Freedom of Choice Superannuation Fund by late November 2018. This will confirm the benefit amount transferred to the Freedom of Choice Division of AMG Super and applicable transactions up to 31 October 2018.

In late November 2018, you will also receive a Welcome Pack from AMG Super which will include a welcome statement providing details of your account balance in the Freedom of Choice Division of AMG Super, insurance cover (if applicable) and the investment options applicable to your account balance.

### Product Disclosure Statement

A Product Disclosure Statement (PDS) containing further information about the Freedom of Choice Division of AMG Super relevant to your account will be made available on the Freedom of Choice website [www.freedomofchoice.com.au/forms](http://www.freedomofchoice.com.au/forms) or on request, after transfer.

**After the transfer, to ensure smooth processing of any of your requests please use the latest forms available from 1 November 2018 at [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au)**

## Contact us

Phone: 1800 336 911  
Email: [enquiries@freedomofchoice.com.au](mailto:enquiries@freedomofchoice.com.au)  
PO Box 3528  
Tingalpa DC QLD 4173

### Disclaimer

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Issued by Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757, as trustee of The Executive Superannuation Fund ABN 60 998 717 367.