

2 March 2022

Product Update – Freedom of Choice

Important updates to your superannuation product

Equity Trustees Superannuation Limited as the Trustee of Freedom of Choice, a division of AMG Super ABN 30 099 320 583 ('Fund'), has issued this Product Update to inform members of some product changes which may affect your investment in the Fund. The changes, which are specified below, have either taken effect prior to the date of this Product Update or are due to occur on 1 April 2022. Specific dates are included under each of the subsections below. We encourage you to read this Product Update in its entirety to understand how these changes may impact you.

Fee reduction for the AMG MySuper option

Effective 1 April 2022, the percentage-based administration fee will reduce from 0.41% of assets per year (estimated) to 0.22% of assets per year (estimated).

There has also been a reduction to the estimated indirect cost ratio. As at 30 June 2021, the estimated indirect cost ratio for the AMG MySuper option was calculated to be 0.004% of assets per year.

A fees and costs table has been included below which summarises the current fees applicable to members invested in the AMG MySuper option and what they will change to on 1 April 2022.

Freedom of Choice– AMG MySuper option				
	Current (before 1 April 2022)		New (from 1 April 2022)	
TYPE OF FEE	AMOUNT	HOW AND WHEN PAID	AMOUNT	HOW AND WHEN PAID
Investment fee¹	0.12% of assets per year (estimated)	Deducted from earnings before daily unit prices are calculated.	0.12% of assets per year (estimated)	Deducted from earnings before daily unit prices are calculated.
Administration fee^{1,4}	\$65 per year (approximately \$1.25 per week) Plus	Deducted on the last day of each month or on exit, in arrears, from your account balance.	\$65 per year (approximately \$1.25 per week) Plus	Deducted on the last day of each month or on exit, in arrears, from your account balance.
	0.41% of assets per year (estimated)	Deducted from earnings before daily unit prices are calculated.	0.22% of assets per year (estimated)	Deducted from earnings before daily unit prices are calculated.
Buy/sell spread	+0.09%/-0.10%	Reflected in the daily calculation of unit prices and paid when a member goes into or out of the investment option.	+0.09%/-0.10%	Reflected in the daily calculation of unit prices and paid when a member goes into or out of the investment option.
Switching fee	Not applicable	Not applicable	Not applicable	Not applicable
Advice fees relating to all members investing in a particular MySuper product or investment option	Not applicable (however, personal advice fees may apply)	Not applicable	Not applicable (however, personal advice fees may apply)	Not applicable

Other fees and costs³	Various, depending on the activity, personal advice or insurance cover	Deducted from your account, where applicable.	Various, depending on the activity, personal advice or insurance cover	Deducted from your account, where applicable.
Indirect cost ratio^{1,2}	0.04% of assets per year (estimated)	Deducted before gross earnings of the option's underlying investments are received by the Fund and reflected in the calculation of the option's daily unit prices.	0.004% of assets per year (estimated)	Deducted before gross earnings of the option's underlying investments are received by the Fund and reflected in the calculation of the option's daily unit prices.

¹ If your account balance for a product offered by the Fund is less than \$6,000 at the end of the financial year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

² Indirect investment related fees also apply and are included in the total Indirect Cost Ratio.

³ Other fees such as activity fees, advice fees for personal advice and insurance fees may apply. For more information see 'Additional Explanation of Fees and Costs' in the Additional Information Booklet.

⁴ The Administration fee includes an amount for expense recoveries. Expense recoveries or general reserves may be used to replenish the Operational Risk Financial Reserve (ORFR) and meet Fund expenses from time to time.

Note: Estimated fees and costs are subject to variation from year to year.

Change of group insurer for the Fund

In December 2020 Hannover Life RE (ABN 37 062 395 484) announced that they would be exiting the direct group insurance market to focus on reinsurance. As a result, AIA Australia Limited (ABN 79 004 837 861) will be taking over the existing insurance arrangements as the group insurer for the Fund with an expected transition date of 1 April 2022.

As part of this transition there are no changes to the insurance terms, conditions and premiums for Fund members.

Total & permanent disablement during employer approved leave

A correction has been made to the total & permanent disablement cover terms for members who are on employer approved leave for more than 24 months. The following text is currently displayed in the Insurance Guide under the section titled 'employer approved leave':

After 24 months and until you have returned to Active Employment for 30 consecutive days, you must satisfy either Part 3, Part 4, Part 5, or Part 6 under the definition of Total and Permanent Disablement.

Effective 1 April 2020, this text is updated to the following:

*After 24 months and until you **have returned to work and are in** Active Employment for 30 consecutive days, you must satisfy either Part 3, Part 4, Part 5, or Part 6 under the definition of Total and Permanent Disablement.*

Changes to the default occupation classification name

As part of annual benefit statements issued in October 2021, a separate communication was enclosed notifying relevant members with automatic insurance cover that the 'Standard' occupation classification has been updated to 'Non Office Based'. The purpose of this change is to improve the description, so it is easier to understand the usual activities associated with this occupation classification. A copy of this communication can be viewed on our website www.freedomofchoice.com.au/prescribed-information.

If you think your occupation is office based you can apply to change your occupation rating by completing an Occupation Rating Form under the Disclosure Documents & Forms section on our website at www.freedomofchoice.com.au, or by contacting us directly on 1800 806 013. If you complete a change in Occupation Rating Form the change in occupation class will occur on the date we receive your signed declaration.

If you have recently joined the Fund and we receive a signed Occupation Rating Form within 90 days of the date of your Welcome Kit and 120 days of joining the Fund, we will backdate any change in occupation classification for the purposes of calculating your insurance premiums.

Do I need to take any action?

You do not need to take any action. We encourage you in conjunction with your adviser (if applicable) to review the information provided in this Product Update to ensure that these changes are appropriate for your circumstances. If you deem these changes as not appropriate you may elect to exercise your ability to choose an alternative superannuation fund.

How can I find out more information?

An updated PDS will be made available on the Freedom of Choice website (www.freedomofchoice.com.au) or on request, from 1 April 2022. Further information can be obtained by calling 1800 806 013 or emailing enquiries@freedomofchoice.com.au. You should consider obtaining professional financial advice tailored to your personal circumstances before making decisions regarding your investments or insurance through the Fund.

This Product Update has been prepared by the Promoter of Freedom of Choice, a division of AMG Super ('Fund'), ABN 30 099 320 583 Acclaim Management Group Limited (ABN 52 091 082 058), on behalf of the Trustee, Equity Trustees Superannuation Limited (ABN 50 055 641 757, RSE Licence No. L0001458, AFSL 229757). The information in this Product Update is as of 02/03/2022. The Trustee is unable to provide you with personal financial advice and this Product Update should not be construed as providing such advice. The Product Update has been prepared without taking into account your personal objectives, financial situation or needs. The Trustee recommends that you obtain financial advice from a suitably qualified and licensed financial adviser before you make any decision regarding your superannuation. Equity Trustees Superannuation Limited is unable to guarantee that there will be no further changes to your superannuation.