

North[®] Super and Pension Guarantee

Product Disclosure Statement – Part B



North Super and Pension Guarantee is closed.

North Personal Superannuation and Personal Pension
North Guarantee

To be read in conjunction with North Super and Pension PDS – Part A

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North[®] Super and Pension

Product disclosure statement update

This is an update to the **North Super and Pension Guarantee Product Disclosure Statement Part B**, issue number 11, dated 30 March 2015, and should be read together with this document.

All references in the above disclosure document to the insurance issuer National Mutual Life Association are replaced as per the table below:

References to the following:	To be replaced with:
The National Mutual Life Association of Australasia Limited ABN 72 004 020 437 AFS Licence No. 234649	AMP Life Limited ABN 84 079 300 379 AFS Licence No.233671
The National Mutual Life Association of Australasia Limited	AMP Life Limited
National Mutual Life Association of Australasia Ltd (NMLA)	AMP Life Limited (AMP Life)
NMLA	AMP Life

North Super and Pension Guarantee is closed.

Issue date: 1 February 2017

This document is issued by N.M. Superannuation Proprietary Limited (ABN 31 008 428 322, AFS Licence No. 234654), the Trustee of the Wealth Personal Superannuation and Pension Fund (ABN 92 381 911 598).

This document is Part B of the Product Disclosure Statement (PDS) for North Personal Superannuation and Personal Pension, and details the guarantee options available. It must be read in conjunction with:

- North Super and Pension Product Disclosure Statement – Part A
- North Super and Pension Additional Information booklet, and
- North Investment Options document.

North Personal Superannuation and North Personal Pension are plans offered as a part of the Wealth Personal Superannuation and Pension Fund ABN 92 381 911 598 (the Fund). The Trustee of the Fund and issuer of this PDS is N.M. Superannuation Proprietary Limited ABN 31 008 428 322.

The Trustee is an RSE Licensee under the *Superannuation Industry (Supervision) Act 1993* (SIS), which means that it has satisfied licensing conditions set by the Australian Prudential Regulation Authority (APRA). The Trustee is responsible for the monitoring and management of the Fund for the benefit of all members in accordance with the governing rules of the Fund and relevant legislation.

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. Before acting on the information in this PDS, you should consider the appropriateness of this information and consult a licensed financial adviser before investing.

Up-to-date information

Information in the PDS that is not materially adverse may change from time to time. This information will be updated on northonline.com.au and a printed copy of any updated information will be provided to you free of charge by contacting the North Service Centre via email at north@amp.com.au or by calling 1800 667 841. If an increase in fees occurs we will give you at least 30 days prior written notice. For any other material change we will inform you within three months of the change.

What you need to know

This North Super and Pension Guarantee PDS – Part B is an important document as it explains how the Guarantees work. Any member considering applying for a Guarantee will also be given a copy of the North PDS – Part A and should consider all documents in deciding whether to acquire, or to continue to hold, this product. The latest versions are available free of charge from northonline.com.au or by contacting the North Service Centre on 1800 667 841.

An investment in the investment options offered through North is subject to investment risk, including possible delays in repayment and loss of income and capital invested. Apart from a benefit arising out of the Guarantee issued by NM Super, no member of AMP or the investment managers guarantee the repayment of capital, payment of income or the performance of the investment options.

The information contained in this North Super and Pension Guarantee PDS is general information only and does not take into account your individual objectives, financial situation or needs. Before acting on the information in this North Super and Pension Guarantee PDS, you should consider the appropriateness of this information and consult a financial adviser.

NM Super reserves the right to change the terms and conditions in this North Super and Pension Guarantee PDS subject to Trust Deed and regulatory requirements. We may accept or refuse (without reason) any application.

AMP GH has given its consent to the inclusion of statements about it in this PDS in the form and the context in which those statements are included. AMP GH has not withdrawn its consent prior to the date of issue of the PDS.

The case studies in this PDS are hypothetical and are not intended to illustrate the circumstances of any particular individual or be regarded as a forecast of how your investment may perform.

Throughout this PDS – Part B

References to:	To be read as:
AMP or AMP Limited	AMP Limited ABN 49 079 354 519, and its subsidiary companies including NMFM and NMLA
AMP GH	AMP Group Holdings Limited ABN 88 079 804 676
Bank	An authorised deposit-taking institution regulated by the Australian Prudential Regulation Authority under the Banking Act 1959 (Cth)
Business day	A day other than a Saturday, Sunday or a public holiday
CPI	The most recently published Consumer Price Index (All Groups)
EFT	Electronic Funds Transfer facility
Financial adviser	A person (including their agents or employees) who either holds an Australian Financial Services Licence (AFSL) or is authorised by a Licensee that holds an AFSL to provide financial product advice
Insurance PDS	AMP Elevate insurance Product Disclosure Statement
‘Member of you’	A member of North Personal Superannuation and North Personal Pension, including any person you authorise to act on your behalf
NMLA	The National Mutual Life Association of Australasia Limited ABN 72 004 020 437 AFS Licence No. 234649
NMFM	National Mutual Funds Management Limited ABN 32 006 787 720 AFS Licence No. 234652
North, North Super and Pension	North Personal Superannuation and Pension plans
North Investment Options	A list of investment options available through North Super and Pension
‘Our’, ‘we’, ‘us’, ‘Trustee’ or ‘NM Super’	N.M. Superannuation Proprietary Limited ABN 31 008 428 322 AFS Licence No. 234654
Public holiday	A day other than a weekend on which financial institutions in Melbourne are generally closed for normal trading

Read all relevant documents

North Super and Pension

North Personal Superannuation and Personal Pension PDS – Part A

General information relating to North Personal Superannuation and Personal Pension.

North Super and Pension Guarantee

North Guarantee PDS – Part B

Specific information regarding North's Guarantee options.

North Investment Options

Document available from northonline.com.au

Provides a list of investment options available through North Super and Pension.

Also consider

AMP Elevate insurance

Product Disclosure Statement

- Life insurance
- Income insurance
- Additional optional insurance benefits (including Total and Permanent Disability (TPD)).

Information you should read

As with any investment, an investment in North and the **Guarantees** offered in this PDS are subject to certain risks. These risks include counterparty risks, (related to the financial capacity and risk management techniques of counterparties to honour the **Guarantees** offered in this PDS) and that counterparties' compliance and management policies or information technology systems will not operate effectively. You should also be familiar with the terms and conditions of the **Guarantees** contained in this PDS – Part B. You should read the information on pages 14 and 32, which describes these risks in more detail.

Some words in this PDS have a particular meaning. These defined terms are shown in bold and their meaning is explained in the 'Key terms' table. This table can be found on:

- page 5 for **Protected Investment** and **Protected Growth guarantees**
- page 25 for **Protected Retirement guarantee**.

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The North guarantees

There are three **Guarantees** described throughout this document: Section 1 describes the two capital **Guarantees** and Section 2 describes the lifetime income **Guarantee**.

The North **Guarantees** form part of AMP's growing stable of wealth management solutions designed to help you grow your savings and meet your financial retirement needs.

The two capital **Guarantees** are:

- AMP's **Protected Investment guarantee**
- AMP's **Protected Growth guarantee**.

The lifetime income **Guarantee** is AMP's **Protected Retirement guarantee**.

The benefits of all three **Guarantees** are available in both the superannuation and pension phase. However, the benefits (and risks) differ with each **Guarantee**. While you can have a number of separate North accounts, only one **Guarantee** can apply to a North account at any one time.

You should read Section 1 if you are considering the **Protected Investment guarantee** or **Protected Growth guarantee** or Section 2 if you are considering the **Protected Retirement guarantee**.

You should understand when, and in what circumstances, you are entitled to receive any benefits from the **Guarantee** you are considering.

All potential members should read Section 3, which details the material terms and conditions that will apply to your account as a result of becoming a member of North.

Before selecting a **Guarantee**, you should consider your investment time horizon. We do not guarantee that any of these options will be available at any stage in the future.

Things you need to know

Under a North capital **Guarantee**, the full value of the **Guarantee** is only available at the end of your nominated **term**. By terminating prior to the end of the **term** you will be entitled to:

- in the case of a **Protected Investment guarantee**, your **account value**. Your **account value** is subject to ordinary market risk and does not include any **Guarantee** benefit
- in the case of a **Protected Growth guarantee**, your **available balance**. Your **available balance** is made up of your **account value** and a portion of your **Guarantee** benefit which varies depending on how far you are into your **term**.

Refer to 'Ceasing your Guarantee before the end of the term' on page 21 for more information.

Protected Investment guarantee

- Available in both superannuation and pension, and you can transition between both up to once a year.
- A short-term guarantee of your capital.
- Designed to be held for the duration of your **term**.
- Can potentially lock in growth (every two years).
- The benefit is available only at the end of the selected **term**.

Protected Growth guarantee

- Available in both superannuation and pension, and you can transition between both up to once a year.
- A long-term guarantee of your capital.
- Designed to be held for the duration of your **term**.
- Can potentially lock in growth (annually).
- The benefit is available progressively throughout the selected **term**.

Protected Retirement guarantee

- Available in both superannuation and pension, and you can transition from superannuation to pension only.
- A guarantee of income.
- Designed to provide a benefit for the duration of your life.
- Can potentially lock in growth (annually).
- The benefit is only available in pension phase once your capital invested with North has been depleted.

In Section 1, the term **Guarantee(s)** refers to the **Protected Investment guarantee** or **Protected Growth guarantee**.

In Section 2, the term **Guarantee** is a reference to the **Protected Retirement guarantee**.

Section 1 Protected Investment and Protected Growth guarantees

Within Section 1, the term 'Guarantee(s)' refers to the **Protected Investment guarantee** and/or **Protected Growth guarantee**.

Guarantee features at a glance

Protected Investment guarantee	Guarantees, at the end of your nominated term, all contributions and rollovers (less any upfront fees , withdrawals, advice fees or taxes paid) and, every two years, locks in the growth in your account value as a result of positive investment performance if your account value is greater than your protected balance . The value of your protected balance is only available at the end of the applicable term.	Pg 6
Protected Growth guarantee	Guarantees, at the end of your nominated term, contributions and rollovers (less any upfront fees , withdrawals, advice fees or taxes paid) and annually locks in growth in your account value as a result of positive investment performance if your account value is greater than your protected balance . The full value of your protected balance is only available at the end of the applicable term.	Pg 8
Terms available	For a Protected Investment guarantee , a term of either 6 or 8 years can be chosen.	Pg 7
	For a Protected Growth guarantee , a term of either 10 or 20 years can be chosen.	Pg 10
Investment strategies	Three strategies are available with a Protected Growth guarantee and two strategies are available with a Protected Investment guarantee . The investment strategy you select determines the investment options available for you to invest in.	Pg 11
Initial investment period	The initial investment period is the first 90 days from the time the Guarantee is accepted by us.	Pg 16
Maximum initial contribution or rollover	Balances over \$2 million need to be pre-approved.	Pg 16
Ongoing contributions	Allowed for superannuation (subject to certain conditions). Not applicable for pensions.	Pg 16
Withdrawals	Allowed, subject to certain conditions.	Pg 16
Early termination of a Guarantee	Protected Investment guarantee – You will always have access to your account value , subject to superannuation law. However, the benefit of your Guarantee is available only at the end of the selected term. Protected Growth guarantee – You will always have access to your available balance , which is always at least equal to your account value plus potentially a portion of the protected balance , subject to superannuation law.	Pg 21
How will the benefit be paid upon death?	With the exception of a reversionary nomination in pension, the Guarantee will cease and any payments made as part of the Guarantee will be treated in the same manner as early termination, subject to Trust Deed requirements and superannuation law.	Pg 22

Through North, we give members who are planning for retirement, or have already retired, the ability to invest their retirement savings in investments without the downside risk that ordinarily accompanies these investments.

Unlike some capital guaranteed offers on the Australian investment market, North's **Guarantees** do not force your investments into cash or fixed-interest assets if a market downturn is experienced. On the contrary, North's **Guarantees** allow you to remain fully invested in your nominated investment selection while still providing the peace of mind of capital protection.

Existing North members who do not have a **Guarantee** but who wish to select one, may only invest in the investment options available with a **Guarantee**, as indicated in the North Investment Options document.

North provides you with a broad choice of **Guarantee terms** designed to match your specific needs and preferences:

- The **Protected Investment guarantee**—6 and 8 year capital guarantees that lock in growth in your **account value** every second year.
- The **Protected Growth guarantee**—10 and 20 year capital **Guarantees** that lock in growth in your **account value** annually.

Both the **Protected Investment** and **Protected Growth** guaranteed amounts are known as the **protected balance**. You are guaranteed to receive your **protected balance** at the end of your **term**.

The North **Guarantees** provide flexibility, meaning you can:

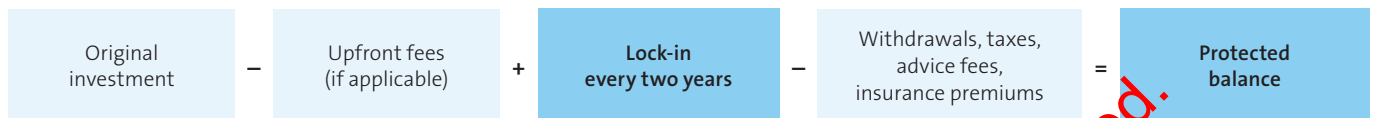
- make additional contributions or rollovers
- make withdrawals
- subject to superannuation law, at any time cease the **Guarantee** and take your **account value** (and if you have chosen the **Protected Growth guarantee** you may also receive a portion of the **protected balance**) or remain invested in your account.

The North **Guarantees** provide the flexibility to switch from super to pension, and pension to super, while retaining the guarantee. Please note that there is a limit on switching from pension to super, while retaining the **Guarantee**, to once a year. We reserve the right not to accept requests for switching from pension to super with a **Guarantee**.

You should select a **term** taking into consideration your investment time horizon. The choices available give you the flexibility to set the length of the **Guarantee** appropriate for your needs. However, if your investment horizon is less than six years, a North **Guarantee** may not be appropriate for you and you should discuss this with your financial adviser.

Protected balance

Protected Investment guarantee



Protected Growth guarantee

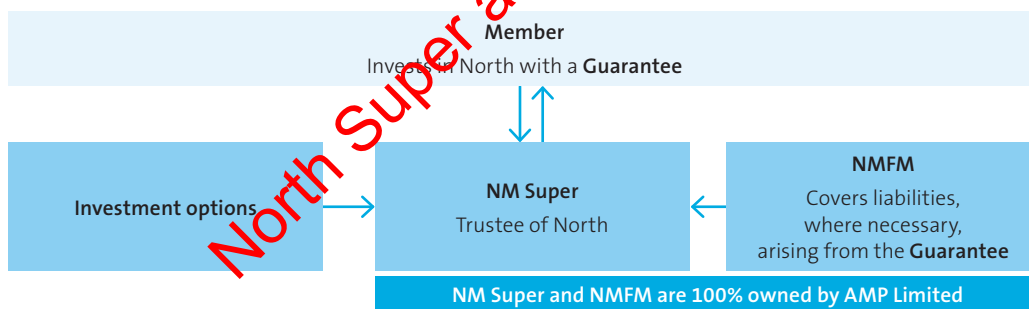


Who provides the Guarantees?

The North **Protected Investment guarantee** and **Protected Growth guarantee** are offered to you by NM Super as the Trustee. NM Super has entered into its own arrangement with NMFM to manage its exposure in providing these **Guarantees** to you. Where NM Super is required to pay an amount to a member under a **Guarantee** pursuant to the terms of this PDS – Part B, AMP GH has provided an undertaking to NM Super that AMP GH will pay that amount to NM Super in circumstances where NMFM is unable to make that payment.

NM Super and NMFM are wholly owned by AMP Limited.

Product structure



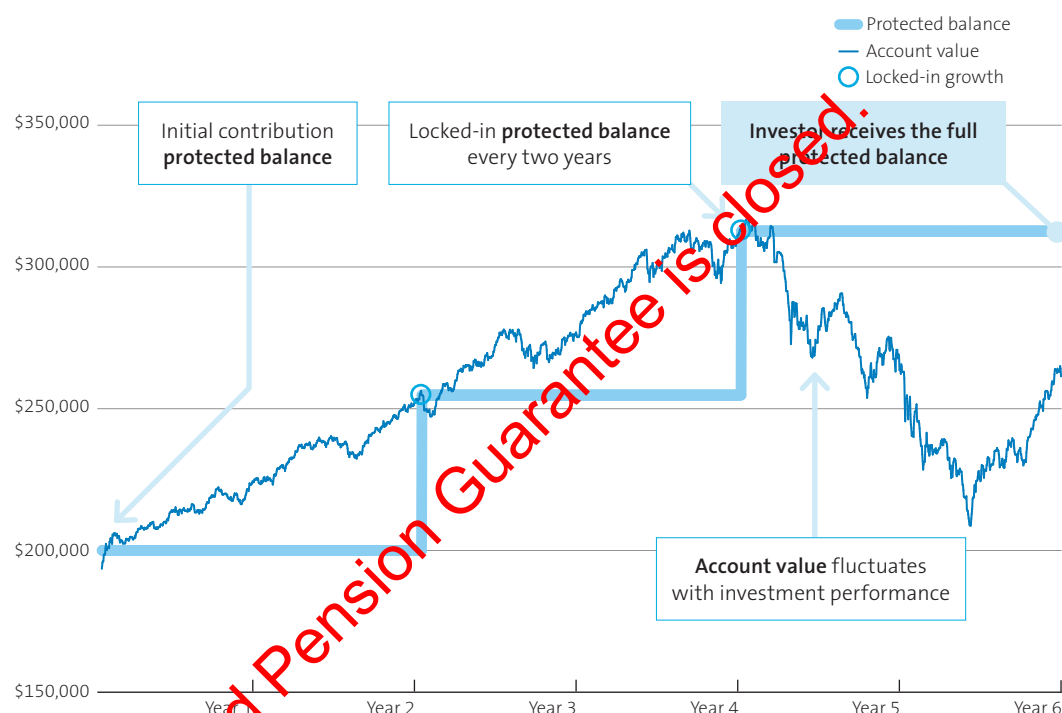
Key terms

Key guarantee terms	Definition
account value	The current market value of your underlying investment (including the cash account).
available balance (Protected Growth guarantee only)	If the account value is less than the protected balance , the available balance is the account value plus a proportion of the difference between the protected balance and the account value that you are entitled to receive upon cessation of the Protected Growth guarantee during the term . This proportion is based on the number of whole years elapsed in the applicable term and is calculated in accordance with the participation schedule . If the account value is greater than the protected balance , then the available balance equals the account value .
contribution threshold (superannuation only)	Initially set as 15% pa of your initial investment , this is the amount that can annually be contributed to your superannuation account without incurring an additional contribution Guarantee fee . Any amount contributed to your superannuation account above the contribution threshold will incur an additional contribution Guarantee fee .
Guarantee	A Protected Investment guarantee or Protected Growth guarantee .
Guarantee anniversary date	Each year anniversary from the date the Guarantee commences. This is also the date: <ul style="list-style-type: none"> i. we calculate the annual withdrawal threshold ii. for the Protected Investment guarantee, every second year, the date we review your protected balance and lock in any growth in your account value as a result of positive investment performance in the preceding two years, provided your account value is greater than your protected balance iii. for the Protected Growth guarantee, every year the date we review your protected balance and lock in any growth in your account value as a result of positive investment performance in the preceding year, provided your account value is greater than your current protected balance.
initial investment period and initial investment	The initial investment period is the first 90 days from the time the Guarantee is accepted by us. The initial investment is all contributions, rollovers and transfers (less upfront fees and withdrawals) received in this period. If an initial investment is not received during the initial investment period , the Guarantee will be terminated.
investment strategies	The investment strategy you select determines the investment options available for you to invest in.
participation schedule (Protected Growth guarantee only)	The participation schedule is used to determine the available balance . It is based on your term and the number of years that have elapsed in your term .
protected balance	The protected balance is your guaranteed amount. At the end of your term , if your protected balance is greater than your account value , the difference between the two amounts is added to your account value .
Protected Growth guarantee	Guarantees the value of any contributions and rollovers (less any upfront fees , withdrawals, advice fees and taxes) made into your North account and annually locks in any growth in your account value , as a result of positive investment performance, on your Guarantee anniversary date if your account value is greater than your protected balance . The full value of your protected balance is only available at the end of the applicable term .
Protected Investment guarantee	Guarantees the value of any contributions and rollovers (less any upfront fees , withdrawals, advice fees and taxes) made into your North account and, every two years, locks in any growth in your account value , as a result of positive investment performance, on your Guarantee anniversary date if your account value is greater than your protected balance . The value of your protected balance is only available at the end of the applicable term .
term	The length of time you must hold the Guarantee to receive its full value. <ul style="list-style-type: none"> – For a Protected Investment guarantee, a term of either 6 or 8 years can be chosen – For a Protected Growth guarantee, a term of either 10 or 20 years can be chosen.
upfront fees	Any upfront advice fees paid to your financial adviser or the additional contribution Guarantee fee . Your protected balance is set after upfront fees have been deducted.
withdrawal threshold	The amount you can withdraw from your account without adversely affecting your Guarantee . On each Guarantee anniversary date , your annual withdrawal threshold is recalculated as 15% of your account value (if you have a Protected Investment guarantee) or available balance (if you have a Protected Growth guarantee) and set for the following 12 months.

Protected Investment guarantee features

Additional investments and withdrawals can be made throughout the term selected.

When you become a member of North you can elect to have AMP's **Protected Investment guarantee** as a feature of your account. The table below illustrates the main features of AMP's **Protected Investment guarantee**.



You can select from a 6 or 8 year **term**.

You must select from one of two **investment strategies** if you have a **Protected Investment guarantee**.

Things you need to know

The **protected balance** is only available at the end of your nominated **term** and when it exceeds your **account value**. The **protected balance** will decrease when advice fees, applicable taxes and withdrawals are paid from your North account.

While this scenario illustrates a guaranteed payment at the end of the **term**, there are circumstances where the **account value** will be greater than the **protected balance** at the end of the **term** and a guaranteed payment is not necessary.

Protected balance

The **Protected Investment guarantee** will:

- return, at the end of the **term**, any contributions and rollovers (less any **upfront fees**) made into your account less any withdrawals, advice fees or taxes paid from your North account, and
- lock in any growth as a result of positive investment performance on your **account value** every two years, provided your **account value** is greater than your **protected balance** on the **Guarantee anniversary date**.

The guaranteed amount is known as your **protected balance**. The total amount you are entitled to receive at the end of your **term** will be at least equal to your **protected balance**.

Withdrawals will decrease your **protected balance**. See page 16 for a definition of withdrawals.

Your **protected balance** will not decrease as a result of:

- negative market performance on your investments
- management costs associated with your North account including:
 - administration fee
 - investment costs
 - performance fees
 - investment switching fee
- **Guarantee fees**
- buy/sell costs.

Account value

Your **account value** is the current market value of your underlying investments (including the cash account) and is subject to market risk. Your **account value** does not include any **Guarantee** benefit and is the total amount you will receive from North if you cease the **Protected Investment guarantee** prior to the completion of your **term**.

Your **account value** will decrease as a result of:

- negative market performance on your investments
- management costs associated with your North account including:
 - administration fee
 - investment costs
 - performance fees
 - investment switching fee

- **Guarantee fees**
- advice fees
- buy/sell costs
- withdrawals.

For further information on these fees and costs refer to the 'Fees and other costs' section located on pages 15–21 of North Super and Pension PDS – Part A.

Further information on withdrawals and their impact on your **account value** can be found on page 16 of this PDS.

Terms

You can select from one of two **terms**. Either:

- a 6 year **term**, or
- an 8 year **term**.

At the end of your **term**, if your **protected balance** is greater than your **account value**, the difference between these two amounts will be added to your cash account and form part of your **account value**. At this time you will have the option to:

- nominate an available **Guarantee** at that time and remain in North
- remain in North without a **Guarantee**
- fully withdraw your funds (subject to superannuation law).

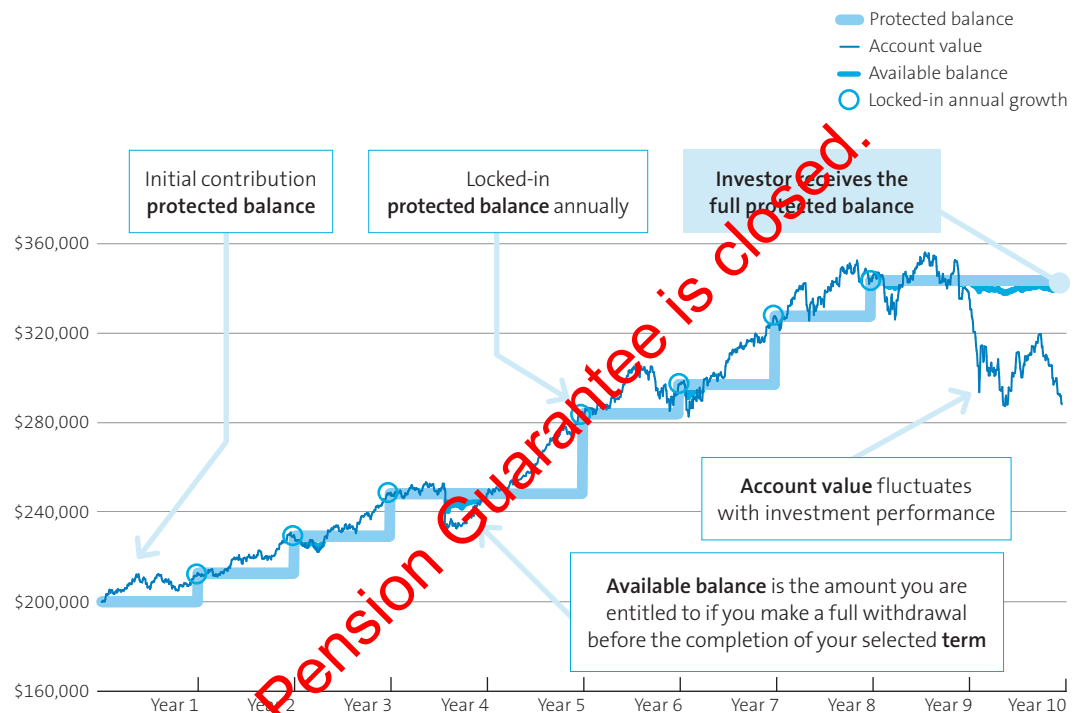
At any time during your **term**, you may make a full withdrawal of your **account value** or cease the **Guarantee** applicable on your account. Please see pages 16 to 22 for further information in relation to withdrawals. If you make a full withdrawal or elect to cease the **Guarantee** prior to the end of your selected **term** you will not receive any benefit in relation to the **Protected Investment guarantee**.

You cannot change your chosen **term** or **investment strategy** once you have selected your **Guarantee**. You can switch investment options within your **investment strategy**, please see page 11 for further information. For further information on ceasing your **Guarantee** please see page 21.

Protected Growth guarantee features

Additional investments and withdrawals can be made throughout the term selected.

When you become a member of North you can elect to have AMP's **Protected Growth guarantee** as a feature of your account. The table below illustrates the main features of AMP's **Protected Growth guarantee**.



You can select from either a 10 or 20 year term.

You must select from one of three investment strategies if you have a Protected Growth guarantee.

Things you need to know

The full value of the **protected balance** is only available at the end of your nominated **term** and when it exceeds your **account value**. The **protected balance** will decrease when advice fees, applicable taxes and withdrawals are paid from your North account.

While this scenario illustrates a guaranteed payment at the end of the **term**, there are circumstances where the **account value** will be greater than the **protected balance** at the end of the **term** and a guaranteed payment is not necessary.

Protected balance

The **Protected Growth guarantee** will:

- return, at the end of the **term**, any contributions and rollovers (less any **upfront fees**) made into your account less any withdrawals, advice fees and applicable taxes paid from your North account
- annually lock in any growth as a result of positive investment performance on your **account value**, provided your **account value** is greater than your **protected balance** on the **Guarantee anniversary date**.

The guaranteed amount is known as your **protected balance**. The total amount you are entitled to receive at the end of your **term** will be at least equal to your **protected balance**.

Withdrawals will decrease your **protected balance**. See page 16 for a definition of withdrawals.

Your **protected balance** will not decrease as a result of:

- negative market performance on your investments
- management costs associated with your North account including:
 - administration fee
 - investment costs
 - performance fees
 - investment switching fee
- **Guarantee fees**
- buy/sell costs.

Available balance

Within North, this feature is exclusive to the **Protected Growth guarantee**. The **available balance** is the total amount you are guaranteed to receive from North if you cease the **Protected Growth guarantee** prior to the completion of the selected **term**.

Your **available balance** is relevant if your **account value** is less than your **protected balance**. At any other time your **available balance** will be equal to your **account value**.

The **available balance** is calculated using a **participation schedule** (described on page 10) and is calculated in one of the following two ways:

1. If the protected balance is greater than the account value

In this circumstance, your **available balance** is your **account value** plus the difference between your **account value** and **protected balance** multiplied by the relevant participation percentage specified in the **participation schedule** (which increases with each year that has elapsed during your **term**).

$$\text{available balance} = \left[\begin{array}{c} \text{account value} \\ + \\ (\text{protected balance} - \text{account value}) \\ \times \\ \text{participation percentage} \end{array} \right]$$

2. If the protected balance is equal to or less than the account value

In this circumstance, your **available balance** equals your **account value**.

$$\text{available balance} = \text{account value}$$

Case study 1

Calculating the available balance

Michael commences a North superannuation plan and selects the **Protected Growth guarantee** with a 10 year **term**, investing \$400,000 initially and making contributions in the following years. After seven years, Michael wants to withdraw his entire balance. Michael's North account has the following values:

Account value = \$627,000

Protected balance = \$728,000

Available balance = \$697,700¹

1. The **account value** plus 70% of the difference between the **protected balance** and the **account value**, in accordance with the participation schedule (7 years of a 10 year term have elapsed) \$627,000 + [(\$728,000 – \$627,000) x 0.70] = \$697,700

Note: The figures used are hypothetical and are for illustrative purposes only. They should not be regarded as a forecast of how your investment may perform.

Account value

Your **account value** is the current market value of your underlying investments (including the cash account) and is subject to market risk. Your **account value** does not include any **Guarantee** benefit.

Your **account value** will decrease as a result of:

- negative market performance on your investments
- management costs associated with your North account including:
 - administration fee
 - investment costs
 - performance fees
 - investment switching fee
- **Guarantee** fees
- advice fees
- buy/sell costs
- withdrawals.

For further information on these fees and costs refer to the 'Fees and other costs' section located on pages 15–21 of North Super and Pension PDS – Part A.

Further information on withdrawals and their impact on your **account value** can be found on page 16 of this PDS.

Participation schedule

The **participation schedule** presents your participation percentage. Your participation percentage increases with each whole year completed in your **term** on each **Guarantee anniversary date** and is fixed for the following 12 months. Your participation percentage begins to increase at the end of the first year of the **term**, then increases at the end of each following year.

The **participation schedule** is set so that 100% of your **protected balance** is available at the end of your **term**.

The **available balance** is calculated by applying the participation percentage associated with your **term**.

The following chart illustrates the **participation schedule** for the **Protected Growth guarantee**.

Whole years completed	Term	
	10 year (%)	20 year (%)
0	0	0
1	10	5
2	20	10
3	30	15
4	40	20
5	50	25
6	60	30
7	70	35
8	80	40
9	90	45
10	100	50
11		55
12		60
13		65
14		70
15		75
16		80
17		85
18		90
19		95
20		100

During the first year of your **term**, your **available balance** will always equal your **account value**.

You can view your **available balance** at any time through North Online.

Terms

You can select from one of two **terms**, either a:

- 10 year **term**, or
- 20 year **term**.

At the end of your **term**, you will have the option to:

- nominate an available **Guarantee** at that time and remain in North
- remain in North without a **Guarantee**
- fully withdraw your funds (subject to superannuation law).

At any time during your **term** you may make a full withdrawal or cease the **Guarantee** applicable on your account. Please see pages 16 to 22 for further information. If you elect to cease the **Guarantee** and remain in your North account, you are entitled to receive the difference between your **available balance** and your **account value**, which will be paid into your cash account.

You cannot change your **term** or **investment strategy** once you have selected your **Guarantee**. You can switch investment options within your chosen **investment strategy**. Please see page 11 for further information.

Investment strategies

Your choice of investment strategies

Things you need to know

- You must select an **investment strategy**, and each strategy has its own investment menu.
- If you do not select any investment options, in addition to an **investment strategy**, your investment will remain in the cash account.

A tailored investment menu is available for each **investment strategy**. Your investment instructions can only include investment options available within your chosen strategy's investment menu. For more information on the investment options available, please refer to the North Investment Options document, northonline.com.au or contact the North Service Centre on 1800 667 841.

Switching between investment options is limited to six times per year. Switching between **investment strategies** is not permitted.

If you elect to cease a **Guarantee** and continue to remain a member of North, you will automatically have access to all North investment options.

Investment strategy	Available with	
	Protected Growth guarantee	Protected Investment guarantee
Moderately Defensive	✓	✓
Balanced	✓	✓
Growth ⁽ⁱ⁾	✓	✗

(i) Available only with a 20 year Protected Growth guarantee.

When you are considering altering your investments please refer to the latest North Investment Options document for investment options. This document is available from your financial adviser or through North Online (northonline.com.au). Alternatively, contact the North Service Centre on 1800 667 841.

Investment option closures

We may, from time to time, remove certain investment options, (for example, where the investment option has been terminated by the fund manager). Where this occurs, we will provide you with 30 days prior notice to give you the opportunity to select an alternate investment option. Where we cannot provide you with 30 days prior notice (due to circumstances outside of our control), we will provide you with notice as soon as practicable for you to change your investment instructions.

Where we cannot provide you with adequate notice or where we have not received alternate investment instructions from you, we will change your investment instructions and, if applicable, transfer the amount invested in the relevant option, to the AMP Capital Wholesale Cash Management Trust (APIR code: NML0018AU). The PDS for the AMP Capital Wholesale Cash Management Trust is available from North Online. You can make a switch out of this investment option at any time. For more information on the closing of investment options please refer to PDS – Part A.

Investment options available in each strategy

Investment option	Investment strategy		
	Moderately Defensive	Balanced	Growth
AMP Wholesale Cash Management Trust	✓	✓	✓
North Guardian Moderately Defensive Fund	✓	✗	✗
North Guardian Balanced Fund	✗	✓	✗
North Guardian Growth Fund	✗	✗	✓

Guarantee fees

This section sets out the **Guarantee** fees that you may be charged. These fees are deducted from your North Super or Pension cash account. Tax information is set out on page 22 of this PDS.

You should read all of the information about fees as it is important to understand their impact on your North Super or Pension account.

Fees and costs for North Super and Pension and investment options are set out in the North Super and Pension PDS – Part A and North Investment Options document respectively.

Type of fee or cost	Amount	How and when paid
Guarantee fee	Protected Investment guarantee: 1.55 to 2.45% pa ongoing depending on the term and investment strategy selected. Protected Growth guarantee: 0.80% to 1.85% pa ongoing depending on the term and investment strategy selected.	The ongoing Guarantee fee is calculated monthly based on the opening account value on the day the fee is applied and deducted monthly from your North cash account.
Additional contribution Guarantee fee	An additional fee of up to 7% of each additional contribution made in excess of the annual contribution threshold .	This fee is deducted from your additional contribution at the time the contribution is made. Calculated at the time of the additional contribution depending on the type of Guarantee , term , investment strategy .

Guarantee fee

The **Guarantee** fee you pay depends on the **Guarantee**, **term**, and **investment strategy** you have selected. If you cease the **Guarantee** or make a full withdrawal prior to completion of the **term**, a pro rata **Guarantee** fee will be applied for the period between your last monthly **Guarantee** fee payment and the date the **Guarantee** ends.

We reserve the right to alter the **Guarantee** fee that applies to your account, up to the maximum allowable under the Fund's Trust Deed. Refer to the PDS – Part A for information on maximum fees and increases or alterations in charges. You will be informed of any change to the **Guarantee** fee at least 30 days before it occurs.

Guarantee fee and the protected balance

The **Guarantee** fee will not reduce your **protected balance**. This fee is deducted from your **account value** only.

The **Guarantee** fee is deducted monthly in arrears commencing one month from the date on which your **Guarantee** is accepted. It is deducted from your cash account and is calculated on the opening **account value** on the day of the fee deduction.

Example of annual fees and costs

The tables on the following page are an example of how the fees and costs in the North Personal Superannuation product with a **Protected Investment guarantee** and a **Protected Growth guarantee** can affect your superannuation investment over a one-year period. You should use these tables to compare this product with other superannuation products.

	Investment strategy		
	Moderately Defensive (% pa)	Balanced (% pa)	Growth (% pa)
Protected Investment guarantee			
6 year term	1.95	2.45	
8 year term	1.55	1.95	
Protected Growth guarantee			
10 year term	1.35	1.85	
20 year term	0.80	1.15	1.60

Protected Investment guarantee

Balance of \$50,000 with total contributions of \$5,000 during year		
Contribution fees ⁽ⁱ⁾	Nil	Not applicable
Plus Management costs	1.57% ⁽ⁱⁱⁱ⁾ pa	And on a balance of \$50,000 you will be charged \$785 each year
Plus Guarantee fee	1.95% ⁽ⁱⁱⁱ⁾ pa	Plus on a balance of \$50,000 you will be charged \$975
Equals Cost of fund		If you put in \$5,000 during a year and your balance was \$50,000, you would be charged a fee of \$1,760. ^(iv) What it costs you will depend on your total account value , the underlying investments you choose and the fees you negotiate with your financial adviser. The costs will also depend upon the term and investment strategy selected for your Guarantee .

Protected Growth guarantee

Balance of \$50,000 with total contributions of \$5,000 during year		
Contribution fees ⁽ⁱ⁾	Nil	Not applicable
Plus Management costs	1.57% ⁽ⁱⁱⁱ⁾ pa	And on a balance of \$50,000 you will be charged \$785 each year
Plus Guarantee fee	1.15% ^(v) pa	Plus on a balance of \$50,000 you will be charged \$575
Equals Cost of fund		If you put in \$5,000 during a year and your balance was \$50,000, you would be charged a fee of \$1,360. ^(iv) What it costs you will depend on your total account value , the underlying investments you choose and the fees you negotiate with your financial adviser. The costs will also depend upon the term and investment strategy selected for your Guarantee .

- (i) Does not include an additional contribution Guarantee fee.
- (ii) Based on the maximum administration fee for a balance of \$50,000 (0.95% pa), Stronger Super fee (0.03% pa) plus the investment cost of the North Guardian Balanced Fund (0.59% pa). Refer to PDS – Part A for information on the administration fee.
- (iii) Based on a **Protected Investment guarantee** with an 8 year **term** and investment strategy Balanced.
- (iv) Additional fees may apply, including advice fees, see PDS – Part A.
- (v) Based on a **Protected Growth guarantee** with a 20 year **term** and investment strategy Balanced.

Additional contribution Guarantee fee

The additional contribution Guarantee fee is only applicable if you have selected a **Guarantee** and then contribute or roll over amounts in excess of the annual **contribution threshold**.

An upfront additional contribution Guarantee fee up to 7% will be deducted from each contribution and each rollover above the annual **contribution threshold**. The percentage rate which is applied will differ depending on the **Guarantee** and **investment strategy** chosen and the number of years of your **term** that have elapsed. In general, the closer you are to the start of your term, the lower the additional contribution Guarantee fee. The net contribution or rollover amount will be applied to your account and form part of your **protected balance**.

The additional contribution Guarantee fee applicable to your account may change from time to time. The current additional contribution Guarantee fee that will apply can be found on North Online, Northonline.com.au. We recommend you refer to this table whenever you are making a contribution in excess of the threshold.

We reserve the right to alter the additional contribution Guarantee fee that applies to your account up to the maximum allowable under the Fund's Trust Deed. Refer to PDS – Part A for information on maximum fees and increases or alterations in charges.

You will be informed of any increase to the additional contribution Guarantee fee above the 7% limit detailed above at least 30 days before it occurs.

For example

If your annual **contribution threshold** amount is \$10,000 and you decide to contribute \$20,000 in a given year, the additional contribution Guarantee fee would be applicable to the \$10,000 that is above the threshold. If the additional contribution Guarantee fee is 2.5% at the time of your contribution, the upfront additional contribution Guarantee fee on the contribution would be \$250.

When making a contribution via North Online that is in excess of the annual **contribution threshold**, you will be notified that the fee is to be charged.

When making a contribution by direct debit from your bank account, we will inform you that the additional contribution Guarantee fee has been applied in your deposit confirmation letter.

Additional contribution Guarantee fee and the protected balance

For contributions or rollovers where an upfront additional contribution Guarantee fee has been applied, only the net contribution or rollover will be added to your **protected balance**.

Risks applicable to investing with a North Guarantee

Risks

As with any investment, members in North are subject to a number of risks. The significant risks associated with the **Guarantees** are discussed below and must be read in conjunction with the other risks discussed in the PDS – Part A.

Counterparty risks

NM Super is responsible for offering the **Guarantees** to North members. Members are exposed to the following risks of NM Super.

Liability management risk

NM Super has entered into an Agreement with NMFM, which covers any liability of NM Super to members of North should they arise from the **Guarantee** benefit being offered by NM Super.

NM Super is responsible for the liabilities arising from the **Guarantees**, meaning that members are exposed to the financial strengths and solvency of both NM Super and NMFM.

NM Super is regulated by the Australian Prudential Regulation Authority and holds a Registrable Superannuation Entity (RSE) licence under the *Superannuation Industry Supervision Act 1993*. As an RSE licensee, NM Super must meet certain operational, capital and risk management requirements to operate a superannuation business.

NMFM holds an Australian Financial Services Licence and is regulated by the Australian Securities and Investment Commission, which requires NMFM to meet certain financial, operational and risk management requirements.

NMFM holds capital and employs a range of risk management techniques to manage the liabilities arising from the **Guarantees**. Refer to the following 'Role of NMFM' section for information in relation to NMFM's risk management techniques.

There is a risk that the capital and risk management techniques employed by NMFM will not adequately cover NM Super's liabilities arising from the **Guarantees**. If this occurs, NMFM is required to fund the **Guarantee** liabilities from other assets on its balance sheet. Further, **AMP GH** has provided an undertaking to NM Super that in circumstances where NMFM is unable to pay the **Guarantee** liabilities, **AMP GH** will meet any **Guarantee** liabilities to NM Super. A copy of **AMP GH** Annual Audited Accounts is available on request by emailing us at north@amp.com.au.

Inflation risk

Over time, the purchasing power of your money is reduced through inflation. There is a risk that your **account value** may not keep pace with inflation, reducing the purchasing power of your **protected balance** at the conclusion of your **term**.

Role of NMFM

NMFM employs a range of risk management techniques to manage the liabilities arising from the **Guarantees**.

Dynamic hedging is the principal risk management technique currently used by NMFM. Dynamic hedging involves managing market risks through the regular (dynamic) rebalancing of a portfolio of derivative instruments such as futures and interest rate swaps. These derivatives are exchange traded and over-the-counter instruments, and are managed by NMFM. It is important to note that this risk management technique may be supplemented, or replaced entirely, with other techniques such as (but not limited to) reinsurance, as required from time to time and depending on market conditions and portfolio volume.

These risk management techniques are not a feature of the product and any changes to these techniques do not impact on the **Guarantee** being offered to you by NM Super. You will not be notified if changes or alterations are made to the risk management techniques used by NM Super and NMFM.

Operational risk

Members are exposed to the risk that NM Super's compliance and management policies or information technology will not operate effectively, which may have an adverse impact on the value of the **Guarantees**, your investments or your experience with the product generally. NM Super has business continuity plans, operational risk management, compliance and audit procedures and policies in place to reduce the possibility of these risks occurring.

Removal of investment options

We may, from time to time, remove certain investment options, (for example, where the investment option has been terminated by the fund manager). Where this occurs, we will provide you with 30 days prior notice to give you the opportunity to select an alternate investment option. Where we cannot provide you with 30 days prior notice (due to circumstances outside of our control), we will provide you with notice as soon as practicable for you to change your investment instructions.

Where we cannot provide you with adequate notice or where we have not received alternate investment instructions from you, we will change your investment instructions and, if applicable, transfer the amount invested in the relevant option, to the AMP Capital Wholesale Cash Management Trust (APIR code: NML0018AU). The PDS for the AMP Capital Wholesale Cash Management Trust is available from North Online. You can make a switch out of this investment option at any time. For more information on the closing of investment options please refer to PDS – Part A.

NM Super does not guarantee the payment of income distributions nor the performance of the investment options selected by members. Refer to 'Income distributions' on page 16 of this PDS for information on the way distributions are paid into your **account balance**.

Termination of a Guarantee

A North **Guarantee** terminates immediately for a North member who takes up a **Guarantee** if the member:

- fails to pay any fee for which they are liable to pay NM Super under the PDS – Parts A and B, as and when they are due and payable for whatever reason
- fails to meet any of their obligations under the PDS – Parts A and B (for example, fails to provide complete or adequate personal information or withdrawal requests to NM Super in respect of the **Guarantee**)
- fails to comply with the terms and conditions of the PDS – Parts A and B (for example, switches to an **investment strategy** or option not permitted under the PDS)
- withdraws their **account value** if they have a **Protected Investment guarantee** or their **available balance** if they have a **Protected Growth guarantee**
- ceases a **Guarantee** in accordance with the PDS – Parts A and B
- does not make an **initial investment** during the **initial investment period**
- is paid by NM Super the whole of the **Guaranteed** amount
- dies, **Guarantee** will cease with effect from the date we receive a certified death certificate.

Upon termination of a **Guarantee** before the end of your **term**, you will be paid an amount equal to the **account value** (if you have a **Protected Investment guarantee**) or **available balance** (if you have a **Protected Growth guarantee**). This will be determined as described on page 21 under 'Ceasing your Guarantee before the end of the term'.

Wealth Master Trust Deed and NM Super's discretion to offer the North Guarantee

The North **Guarantee** is governed by the Wealth Master Trust Deed. The Trust Deed contains the rules and obligations for both NM Super and members. Under the Trust Deed NM Super has the discretion to offer a **Guarantee** to all or part of a member's benefit and may establish rules in relation to any matter it considers appropriate, including the terms and conditions set out in this PDS – Part B.

Accessing the Wealth Master Trust Deed

Copies of the Wealth Master Trust Deed will be provided free of charge on request if you contact us on 1800 667 841 or email us at north@amp.com.au.

North Super and Pension Guarantee is closed.

Other important information

Contributions

Things you need to know

- Contributions, rollovers and transfers up to the **contribution threshold** are guaranteed.
- Each contribution in excess of your **contribution threshold** will attract an upfront **additional contribution Guarantee fee**. The net amount will be guaranteed.

Contributions, rollovers and transfers as described in PDS – Part A can be accepted into your North account. The following details only apply to accounts that have a **Guarantee** and must be read in conjunction with PDS – Part A and information on contributions on North Online northonline.com.au.

We reserve the right not to accept additional ongoing contributions, rollovers and transfers under the **Guarantee**. You will be notified of any changes.

Contributions and the initial investment period

Your **initial investment period** begins on the day that the **Guarantee** application is accepted by us and ceases at close of business on the 90th day thereafter.

The **initial investment period** allows you to contribute funds into a North account with a **Guarantee** over a 90-day period without incurring an **additional contribution Guarantee fee** and is also used to set your **Contribution threshold**. Balances greater than \$2 million need to be approved by us before they will be accepted.

Contribution threshold

Your **initial investment**, calculated at the completion of the **initial investment period**, is used to determine the **contribution threshold** that will apply to your account. This threshold is determined by calculating:

$$\left[\begin{array}{c} \text{The total of all} \\ \text{contributions} \\ \text{(within the initial} \\ \text{investment period)} \end{array} - \begin{array}{c} \text{withdrawals} \\ \text{(within the initial} \\ \text{investment} \\ \text{period)} \end{array} \right] \times 15\%$$

Contributions, rollovers and transfers received into your North Personal Superannuation plan up to the **contribution threshold** are accepted. Any amount received over the **contribution threshold** will incur an upfront **additional contribution Guarantee fee**. The **contribution threshold** applies to the period from one **Guarantee anniversary date** to the next. Please see the following for further information on contributions during the **initial investment period**.

For a Protected Investment guarantee—each contribution received after the **initial investment period** and in excess of the **contribution threshold** will attract an upfront **additional contribution Guarantee fee**.

For a Protected Growth guarantee—each contribution received after your **initial investment period** and in excess of your **contribution threshold** will attract an upfront **additional contribution Guarantee fee**.

All contributions (less any **upfront fees**) received are added to the **account value** and **protected balance** on a dollar-for-dollar basis. This means that your **account value** and **protected balance** both reflect the net contribution amount.

There are circumstances where the **contribution threshold** will be reduced from the initial 15%. See 'Withdrawals' on this page for further information.

For further information on fees please refer to PDS – Part A and pages 12 and 13 of this PDS – Part B.

Income distributions

Investment options will generally earn income and may also generate capital gains. Investment earnings are paid in the form of distributions. Distributions received on accounts with a **Guarantee** are not treated as an additional contribution and do not increase your **protected balance** when received. Income distributions are added to your **account value**.

Withdrawals

Things you need to know

- A **withdrawal threshold**, calculated on each **Guarantee anniversary date**, applies throughout the **term**.
- Withdrawals in excess of the **withdrawal threshold** when your **protected balance** is greater than your **account value** will lead to a greater reduction of your overall **protected balance** than the withdrawn amount.

For the purpose of the **Guarantee**, withdrawals are currently:

- any funds you personally withdraw
- rollovers out
- family law withdrawals
- pension payments
- tax payments
- advice fees
- any payments made under conditions of early release

- other payments, such as insurance premiums or stamp duty
- other fees the Trustee may charge you (you will be notified prior to this occurring).

Any withdrawal made from your North account is subject to superannuation law and Trust Deed requirements as described in PDS – Part A.

Protected Investment guarantee—your **account value** is always adjusted by an amount equal to the amount of your withdrawal (dollar-for-dollar basis).

Protected Growth guarantee—your **available balance** is always adjusted by an amount equal to the amount of your withdrawal (dollar-for-dollar basis).

At the time of the withdrawal, your **account value** and **protected balance** will be adjusted in one of two ways as governed by the withdrawal rules described through pages 16 to 22:

- Dollar-for-dollar basis, which means that they both reduce exactly by the amount withdrawn.
- Proportionate basis, which means that if you have a **Protected Investment guarantee**, the **protected balance** is reduced by the same proportion as the **account value**. If you have a **Protected Growth guarantee** the **protected balance** and the **account value** are reduced by the same proportion as the **available balance**. This adjustment basis will be less favourable, as your **protected balance** will be reduced by more than the amount withdrawn. Refer to Case study 2 on page 18 for a worked example.

The treatment of withdrawals on your **account value** and **protected balance** may differ depending on:

- the amount you are withdrawing
- when you make the withdrawal, and
- the value of your **protected balance**.

Withdrawal threshold

Any withdrawal is subject to superannuation law and Trust Deed requirements.

Each year you can withdraw from your account an amount up to 15% of the **account value** if you have a **Protected Investment guarantee**, or 15% of your **available balance** if you have a **Protected Growth guarantee**, on your most recent **Guarantee anniversary date** on a dollar-for-dollar basis.

This limit is known as your **withdrawal threshold**.

The **withdrawal threshold** is recalculated on each **Guarantee anniversary date** based on your **account value** (for a **Protected Investment guarantee**) or **available balance** (for a **Protected Growth guarantee**) on that date. All withdrawals between one **Guarantee anniversary date** and the next **Guarantee anniversary date** are added and assessed against the most recently calculated **withdrawal threshold**.

The Withdrawal threshold

What counts towards your withdrawal threshold ?	<ul style="list-style-type: none"> – advice fees – withdrawals including rollovers, lump-sum payments, family law withdrawals and splits, and pension payments – taxation payments for PAYG tax paid on pension payments and superannuation lump-sum payments, and Release Authority payments made to pay tax on contributions in excess of the contributions caps – any payments made under conditions of early release – other payments such as insurance premiums or stamp duty
What does not count towards your withdrawal threshold ?	<ul style="list-style-type: none"> – tax payments for earnings tax, contributions tax, tax payable on contribution caps, surcharge tax and no TFN contribution tax – administration fee – investment management fee – buy/sell costs – guarantee fee

Withdrawals when your account value is greater than your protected balance

While your **account value** is greater than your **protected balance**, any withdrawals will reduce both the **available balance** and the **protected balance** on a dollar-for-dollar basis.

If you withdraw an amount greater than the **protected balance**, your **protected balance** will have no value until your next **protected balance** lock-in date, when the **Guarantee** will lock in the **protected balance** to the **account value**.

Refer to Case study 2, Step 1 on page 18, for a worked example of dollar-for-dollar withdrawals.

Withdrawals when your account value is less than your protected balance

If you make a partial withdrawal and your **account value** is less than the **protected balance**, the **protected balance** will reduce on a dollar-for-dollar basis up to the 15% **withdrawal threshold**.

Any withdrawal in excess of the applicable **withdrawal threshold** will reduce the **protected balance** on a proportionate basis. If you have a **Protected Growth guarantee** the **account value** will also reduce on a proportionate basis.

If you make a full withdrawal from your **account value** if you have a **Protected Investment guarantee**, or a full withdrawal from your **available balance** if you have a **Protected Growth guarantee**, the **Guarantee** will cease.

Refer to Case study 2 for a worked example of dollar-for-dollar and proportionate withdrawals.

Case study 2¹

Withdrawing funds from an account with a Protected Growth guarantee

Bob takes out a North Personal Pension with a 10 year **term**. After five years, the account has the following balances:

Account value	\$80,000
Protected balance	\$180,000
Available balance	\$130,000

In the sixth year (Bob's account has been operating for a full five years and several months), Bob needs to withdraw \$60,000 for some unforeseen expenses. Bob's financial adviser tells him that his **withdrawal threshold** is \$19,500. The first \$19,500 withdrawn will therefore reduce his **account value** and **protected balance** on a dollar-for-dollar basis, and the remaining withdrawal amount (\$40,500) would affect his **protected balance** and **account value** on a proportionate basis.

The calculation his financial adviser made was:

Step 1 – Dollar-for-dollar basis

$\$130,000^1 \times 15\% = \$19,500$ **withdrawal threshold**.

Account value	$\$80,000 - \$19,500$	=	\$60,500
Protected balance	$\$180,000 - \$19,500$	=	\$160,500
Available balance	$\$130,000 - \$19,500$	=	\$110,500

Step 2 – Proportionate basis

The withdrawal amount in excess of the 15% threshold is \$40,500 (\$60,000 – \$19,500).

\$40,500 is 36.65% reduction of the new **available balance** ($\$40,500 \div \$110,500 = 0.3665$).

The **available balance** is reduced dollar-for-dollar.

The **account value** and **protected balance** are reduced proportionately by 36.65%.

Account value	$(\$60,500 - [\$60,500 \times 0.3665])$	=	\$38,327
Protected balance	$(\$160,500 - [\$160,500 \times 0.3665])$	=	\$101,677
Available balance	$(\$110,500 - \$40,500)$	=	\$70,000

¹ The figures used are hypothetical and are for illustrative purposes only. They should not be regarded as a forecast of how your investment may perform.

Each balance is affected differently as summarised below:

	Available balance (\$)	Account value (\$)	Protected balance (\$)
Starting balance	130,000	80,000	180,000
End balance	70,000	38,327	101,677
Reduction	60,000	41,673	78,323

Even though Bob has withdrawn \$60,000, his **account value** only reduces by \$41,673, in this case a partial payment of the **Guarantee** has been made.

Withdrawing funds from an account with a Protected Investment guarantee

Bob has the following balances:

Account value	\$80,000
Protected balance	\$100,000

Bob needs to withdraw \$20,000 to fund an unforeseen expense. Bob's financial adviser tells him that his **withdrawal threshold** is \$12,000. The first \$12,000 will therefore reduce the **protected balance** on a dollar-for-dollar basis and the remaining \$8,000 on a proportionate basis.

Step 1 – Dollar-for-dollar basis

$\$80,000 \times 15\% = \$12,000$ **withdrawal threshold**.

Account value	$\$80,000 - \$12,000$	=	\$68,000
Protected balance	$\$100,000 - \$12,000$	=	\$88,000

Step 2 – Proportionate basis

The withdrawal amount in excess of the 15% threshold is \$8,000 (\$20,000 – \$12,000).

\$8,000 is an 11.76% reduction of the new **account value** ($\$8,000 \div \$68,000 = 0.1176$). The **account value** is reduced dollar-for-dollar. The **protected balance** is reduced proportionally by 11.76%.

Account value	$\$68,000 - \$8,000$	=	\$60,000
Protected balance	$\$88,000 - (\$88,000 \times 0.1176)$	=	\$77,651

Each balance is affected differently as summarised below:

	Account value (\$)	Protected balance (\$)
Starting balance	80,000	100,000
End balance	60,000	77,651
Reduction	20,000	22,349

Withdrawals and the initial investment period

The **initial investment period** is the first 90 days from the day the **Guarantee** application is accepted by us. The **withdrawal threshold** during this period is calculated on the cumulative contributions received within the **initial investment period**. During the **initial investment period** you are able to make withdrawals. Any withdrawal within the **initial investment period** and up to the cumulative 15% **withdrawal threshold**, when the **account value** is less than the **protected balance**, will reduce the **protected balance** on a dollar-for-dollar basis.

The **protected balance** is reduced dollar-for-dollar when the **account value** is greater than the **protected balance**.

The **protected balance** is reduced proportionately if the **account value** is less than the **protected balance** and cumulative withdrawals exceed the cumulative 15% **withdrawal threshold**.

The calculation of the **withdrawal threshold**, at the completion of the **initial investment period** for the following nine months, is the total of all contributions (less **upfront fees**) within the 90 day **initial investment period** x 15%.

Any withdrawals made during the **initial investment period** will count towards the **withdrawal threshold** for the remaining nine months.

Case study 3¹

Your withdrawal threshold during the initial investment period

Day 1	Day 5	Day 25	Day 37	Day 45	Day 62	Day 68	End of 90 days
Start plan	Contribution (%)	Rollover in (%)	Withdrawal in (%)	Rollover in (%)	Withdrawal (%)	Advice fee (%)	Account value and protected balance (based on 0% market performance) ⁽ⁱ⁾ (%)
\$0	100,000	50,000	10,000	60,000	2,000	1,000	197,000
Cumulative contributions ⁽ⁱⁱ⁾	100,000	150,000	150,000	210,000	210,000	210,000	210,000
Withdrawal threshold (15% of cumulative contributions)	15,000	22,500	22,500	31,500	31,500	31,500	31,500
Remaining withdrawals on a dollar-for-dollar basis	15,000	22,500	12,500	21,500	19,500	18,500	18,500

(i) Any positive market performances would result in the **account value** being higher than the **protected balance** by the amount of this increase.

(ii) Net of **upfront fees**.

1 The figures used are hypothetical and are for illustrative purposes only. They should not be regarded as a forecast of how your investment through the North IDPS may perform.

Withdrawals throughout the year

If the **account value** is greater than the **protected balance** and you make a withdrawal it will be applied on a dollar-for-dollar basis. Subsequently, if (prior to the next **Guarantee anniversary date**) the **account value** becomes less than the **protected balance**, then the funds already withdrawn will be taken into account when calculating whether the 15% **withdrawal threshold** has been reached. This means that if the withdrawals totalled more than the **withdrawal threshold**, then any further withdrawal prior to the next **Guarantee anniversary date** will be applied on a proportionate basis, if the **account value** remains less than the **protected balance**.

Refer to Case study 4 below for a worked example.

Case study 4¹

Withdrawing funds from an account with a Protected Growth guarantee when the account value and protected balance 'swap places' during the Guarantee anniversary period

Mary has a North Pension account. At her **Guarantee anniversary date** in June 2014 her **account value**, **protected balance** and **available balance** all total \$90,000, therefore her **withdrawal threshold** for the next 12 months is \$13,500 (\$90,000 x 15%). By September 2014, her **account value** has risen to \$100,000, therefore her **available balance** is also \$100,000 at this time. Later that month, Mary withdraws \$20,000. This amount is more than the 15% **withdrawal threshold**. Due to the fact that her **account value** is higher than her **protected balance**, the withdrawal reduces all balances on a dollar-for-dollar basis. Mary's financial adviser makes her aware that should her **account value** fall below her **protected balance** before her next anniversary date in June 2015, any withdrawals would subsequently reduce her **account value** and her **protected balance** on a proportionate basis. In February 2015, Mary needs to withdraw another \$10,000. By this time her **account value** of \$60,000 has fallen below her **protected balance** of \$70,000 due to negative market performance, and because her original withdrawal of \$20,000 is greater than her **withdrawal threshold** of \$13,500, her current withdrawal reduces the **account value** and **protected balance** on a proportionate basis. This is reflected in the table below.

	Withdrawals	Account value	Available balance	Protected balance
Guarantee anniversary date June 2014 (Year 5 of 10 year plan)		\$90,000	\$90,000	\$90,000
September 2014		\$100,000	\$100,000	\$90,000
September 2014	\$20,000 dollar-for-dollar basis	\$80,000	\$80,000	\$70,000
February 2015		\$60,000	\$65,000	\$70,000
March 2015	\$10,000 proportionate basis (15.4% of available balance)	\$50,760	\$55,000	\$59,220

1 The figures used are hypothetical and are for illustrative purposes only. They should not be regarded as a forecast of how your investment may perform.

Payments made under conditions of early release

Any payments made under conditions of early release will be treated as a withdrawal. Early release payments include payments made as a result of:

- permanent incapacity
- financial hardship
- compassionate grounds
- terminal illness
- any other condition of early release specified by superannuation law.

Family law withdrawals

Any family law payments and splits that must be made will be treated as a withdrawal.

Withdrawals and the contribution threshold

Withdrawals in excess of the **withdrawal threshold** reduce the **contribution threshold** in the same proportion as:

- the reduction in **account value** if you have a **Protected Investment guarantee**, or
- the reduction in **available balance** if you have a **Protected Growth guarantee**.

For example

You have a **Protected Growth guarantee** with an **available balance** of \$100,000 and a **contribution threshold** of \$15,000. You have already reached the **withdrawal threshold** for the year and decide to withdraw an additional \$10,000. The \$15,000 **contribution threshold** will reduce by the same proportion as the reduction in the **available balance**, (ie $\$10,000 \div \$100,000 = 10\%$). Your new **contribution threshold** will be $\$15,000 - (\$15,000 \times 10\%) = \$13,500$ pa.

Investment instructions

Things you need to know

- Your investment profile in your North Super or Pension account must only include assets available for your chosen **investment strategy**.
- Investment options will be sold proportionally to your **account value**.
- You can switch between investment options up to six times per year.

You must nominate your investment instructions on your application. Your investment instructions allow us to manage your cash account by investing contributions into your selected investment options and selling units for transactions that require funds, such as fees or withdrawals.

Your investment instructions must specify the percentage of your investment that you want invested in each investment option that you select.

You can only have a proportionate sell instruction.

You or your adviser can alter your investment instructions at any time via North Online provided your selected investment options are available in your **investment strategy**.

For more information on investment instructions please refer to PDS – Part A.

Ceasing your Guarantee before the end of the term

Things you need to know

- You can cease your **Guarantee** at any time and remain a member of North.
- For the **Protected Growth guarantee**—you may receive a portion of the **protected balance** into your cash account.
- You cannot apply for a **Guarantee** if you have ceased a **Guarantee** in the previous 90 days.

You may elect to cease your **Guarantee** at any time. If you do you can:

- remain invested in North without a **Guarantee**, or
- make a full withdrawal from North.

When you cease your **Guarantee** or make a full withdrawal from your account, the total amount you are entitled to receive from North is equal to your **account value** or if you have a **Protected Growth guarantee**, your **available balance**.

All **Guarantee** charges will cease on the date we process your request to cease your **Guarantee**. The **protected balance** is determined on this date.

It may take us up to 30 days to calculate your final **account value** (and, if applicable, **available balance**) as it will include any distributions receivable from investment options, which can take up to 30 days to be received in your North account.

If you elect to cease the **Guarantee** and remain invested in North:

- the **Guarantee** fee will no longer be charged
- you will have access to all North investment options
- you will no longer have a **protected balance** or, if applicable, an **available balance**
- the investment option, contribution, withdrawal or switching restrictions applicable to the **Guarantee** will no longer apply.

Plus, if you have a **Protected Growth guarantee**, we establish your **account value** and **protected balance** at the time you cease the **Guarantee**. Any distributions owing to the date you cease your **Guarantee** are added to this **account value**. Once these amounts have been paid into your account an amount equal to the **available balance** less your **account value** will be paid into your cash account.

You cannot apply for a **Guarantee** if you have ceased a **Guarantee** in the previous 90 days. This restriction does not apply if the **Guarantee** ceases because you have reached the end of your **term**. We reserve the right to waive or extend this 90-day period at any time.

We reserve the right to terminate a **Guarantee** where we believe a **Guarantee** is applied to a North account funded in whole or part with funds that have been protected in the previous 90 days.

Payments made upon death

The **Guarantee** will remain active from the date we receive a certified copy of the death certificate and will be terminated on the earlier of:

- 30 days from the date we receive a certified copy of the death certificate
- the date we receive alternative investment instructions from the valid beneficiary/ies as determined by the Trustee, or
- the date the **Guarantee** completes its **term**.

On termination, an amount equal to the **account value** (if you have a **Protected Investment guarantee**) or **available balance** (if you have a **Protected Growth guarantee**) will be available for distribution by the Trustee.

It is important to note that unless the **term** of the **Guarantee** is completed, the full value of the **Guarantee** will not be realised.

Please refer to Page 15 of this PDS for further information about termination of the **Guarantee**.

All assets will remain invested according to your investment instructions until such time as instructions are received by the Trustee in relation to your death benefit from a valid beneficiary/ies, as determined by the Trustee.

If you hold a North Pension account and have nominated a reversionary, your pension account and the **Guarantee** may continue with your nominated reversionary in accordance with your current pension arrangements. Any amounts withdrawn from your account by the Trustee will be treated as a withdrawal.

Guarantee taxation information

Things you need to know

- Most tax payments made will reduce your **account value** and **protected balance** on a dollar-for-dollar basis.
- Most tax payments do not count towards your 15% **withdrawal threshold**.

The taxation information provided in this PDS must be read in conjunction with the taxation information found on North Online northonline.com.au. A copy of this information will be provided free of charge on request; please contact North at north@amp.com.au or on 1800 667 841. If you select a **Guarantee**, the following details will also apply in relation to taxation on your account.

Tax payments

An amount of tax will be deducted quarterly from your account and paid quarterly to the ATO. The amount of tax deducted will be determined with reference to contributions

tax, assessable investment income, realised capital gains and deductible fees received in your account.

Any tax payments will reduce the **account value** and the **protected balance** on a dollar-for-dollar basis and will not be included in the 15% **withdrawal threshold** with the exception of:

- PAYG tax on pension payments, and
- Release Authority payments made to pay tax on contributions in excess of the contributions caps.

Upon withdrawal from your account, a provision for realised capital gains tax will be made and the **account value** and the **protected balance** will be reduced by this amount.

Tax refunds

Any tax refunds paid to your account will not increase the **protected balance**. They will be added to your **account value** and may increase the **protected balance** on the following lock-in date if your **account value** is then greater than your **protected balance** and lock-in occurs. Any tax refunds paid into your account are not included in your **contribution threshold**.

If you are no longer a member of the North Personal Superannuation plan at the time of distribution, any tax refunds will be transferred to your chosen fund if you have rolled over to another superannuation fund, or paid to your nominated bank account if you have withdrawn your account balance.

Taxation and the Guarantees

A tax deduction cannot be claimed on the **guarantee** fee. Your North **Guarantee** is an asset for capital gains tax (CGT) purposes. A disposal of this asset may arise when one or more of the following occurs:

- you receive a payment under the **Guarantee**
- your **Guarantee** lapses, or
- you withdraw some or all of your **account value**.

A disposal of this asset may cause a capital gain or loss to arise.

Any payments that your account receives in relation to a **Guarantee** are considered to be sales proceeds in relation to your asset.

Guarantee fees that you have paid represent the cost base of your asset. A capital gain may arise if the **Guarantee** payments received exceed the **Guarantee** fees you have paid. Conversely, a capital loss may arise if the **Guarantee** fees you have paid exceed **Guarantee** payments you have received.

Some members may be entitled to a CGT discount.

Investment earnings and capital gains are exempt from tax within the North Personal Pension.

This tax information is general information only and you should seek professional advice before making an investment decision.

Section 2 Protected Retirement guarantee

Within Section 2 the term 'Guarantee' refers to the Protected Retirement guarantee.

Guarantee features at a glance

Protected Retirement guarantee	Guarantees a pension payment of between 4% and 5% of your income base , for the duration of your life.	Pg 26
Income base	The income base is the amount used to calculate your income benefit . It is the sum of any contributions (less any upfront fees , withdrawals above the income benefit , ongoing advice fees above 0.50% pa or taxes, made into your North account increased for any lock-in made as a result of positive investment performance).	Pg 28
Income benefit	The percentage of your income base guaranteed to be paid to you under the terms of the Guarantee , for the duration of your life.	Pg 28
Investment strategies	Two strategies are available with a Protected Retirement guarantee . The investment strategy you select determines the investment options available for you to invest in.	Pg 29
Guaranteed joint life	A spouse (and legal dependant) under superannuation law who can continue to receive the income benefit upon the member's death.	Pg 34
Initial investment period	The initial investment period is the first 90 days from the time the Guarantee is accepted by us.	Pg 34
Minimum application age	50 years. Also applies to your spouse if the Guaranteed joint life is selected. To commence a pension you must have reached preservation age and your spouse must be at least 55 years of age if a Guaranteed joint life is selected.	Pg 34
Ongoing contributions	Allowed for superannuation (subject to certain conditions). Not applicable for pensions.	Pg 34
Maximum initial contribution or rollover	Balances over \$2 million need to be pre-approved.	Pg 35
Withdrawals	Allowed, and may affect the value of the Guarantee .	Pg 35
Early termination of a Guarantee	You will always have access to your account value , subject to superannuation law.	Pg 36
How will the benefit be paid upon death?	With the exception of a reversionary nomination in pension where the Guaranteed joint life option has been selected, any death benefit payments will be treated in the same manner as early termination, subject to Trust Deed requirements and superannuation law.	Pg 36

Through North, we give members who are planning for retirement, or have already retired, the ability to invest their retirement savings in investments without the downside risk that ordinarily accompanies these investments.

The **Protected Retirement guarantee** allows you to remain fully invested in your nominated investment selection while still providing the peace of mind of a guaranteed income for life. Existing North members who do not have a **Guarantee**, but who wish to select one, may only invest in the investment options available with a **Guarantee**, as indicated in the North Investment Options document.

North **Protected Retirement guarantee** provides members who have entered the pension phase a guaranteed lifetime income. The guaranteed amount is known as the **income benefit**. You are guaranteed to receive at least your **income benefit** every year for the duration of your life.

The North **Protected Retirement guarantee** provides flexibility, meaning you can:

- make additional contributions or rollovers (during the superannuation phase)
- make withdrawals
- subject to superannuation law, at any time cease the **Guarantee** and take your **account value** or remain invested in your account.

Protected Retirement guarantee

Things you need to know

- The lower of your age, or the age of your **Guaranteed joint life**, at retirement determines the income percentage you will receive for your life.
- Once you commence a pension, you cannot revert to super with a **Protected Retirement guarantee**.

Each account with a **Protected Retirement guarantee** will have an **income base**. The **income base** is described in the diagram on the following page. A set percentage of the **income base** is guaranteed to be paid to you (or your **Guaranteed joint life**) for the duration of your life (or your spouse's life if a **Guaranteed joint life** is selected). This percentage is known as your **income benefit**.

Your **income benefit** is guaranteed for life even if you run out of your own funds while in pension.

See page 28 for more information on the **income benefit** and page 34 for information on an eligible **Guaranteed joint life**.

The **Protected Retirement guarantee** is available in superannuation (subject to the minimum entry age, see page 34) and in pension, and you can transition from superannuation to pension only.

Please note that once a **Protected Retirement guarantee** is in the pension phase, the account cannot be reverted to superannuation without ceasing the **Guarantee**. If you do this, you will lose any benefit associated with the **Protected Retirement guarantee**. See pages 36 and 37 for further information on ceasing the **Guarantee**.

Income base



Your **income base** will lock in annually as described on page 28. In retirement, should your **account value** reach zero, the **income benefit** continues to be paid for the duration of your life, or your **Guaranteed joint life's** life. See page 28 for information on **income benefits** and page 34 for information on **Guaranteed joint life**.

Investment strategies

Investment strategy	Available with Protected Retirement guarantee
Moderately Defensive	✓
Balanced	✓

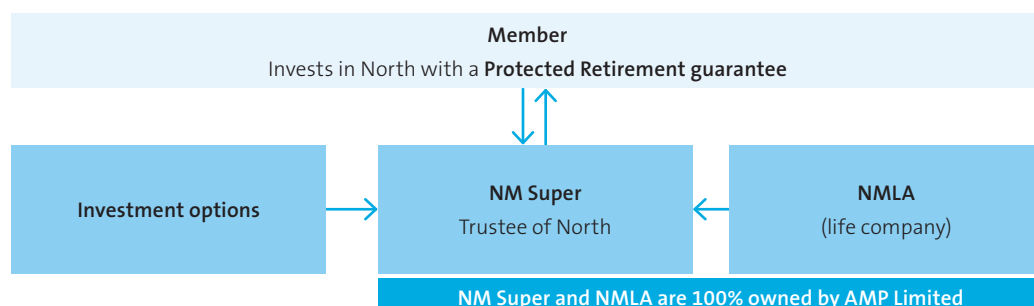
Who provides the Guarantee?

The **Protected Retirement guarantee** is provided by NM Super through the issue of a life insurance policy by NMLA to NM Super (**life policy**), under which NMLA agrees, subject to certain terms and conditions, to pay some or all of your **income benefit** to NM Super where your funds are not sufficient to meet your **income benefit**. The amount of the **income benefit** payable to NM Super by NMLA will depend on your **account value**. No payment will be made under the life insurance policy by NMLA where there are sufficient funds in your account to meet the required **income benefit** payment.

NM Super's liability to make **income benefit** payments where your funds are not sufficient to meet the **income benefit** is limited to the proceeds it receives from NMLA under the life insurance policy.

NM Super and NMLA are wholly owned by AMP Limited.

Product structure



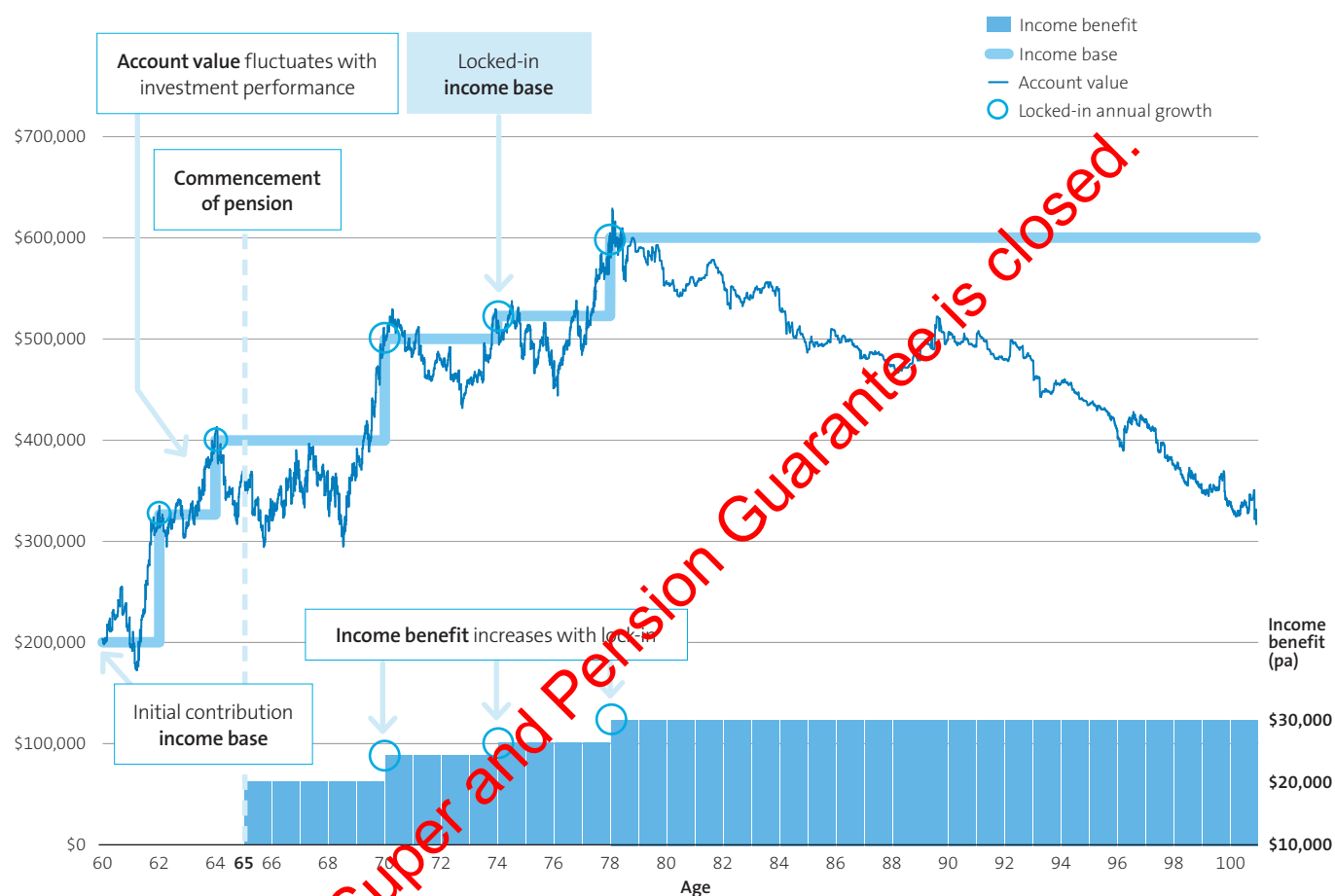
Under the **life policy**, NMLA has the right to vary the terms and conditions, including where required by law.

Key terms

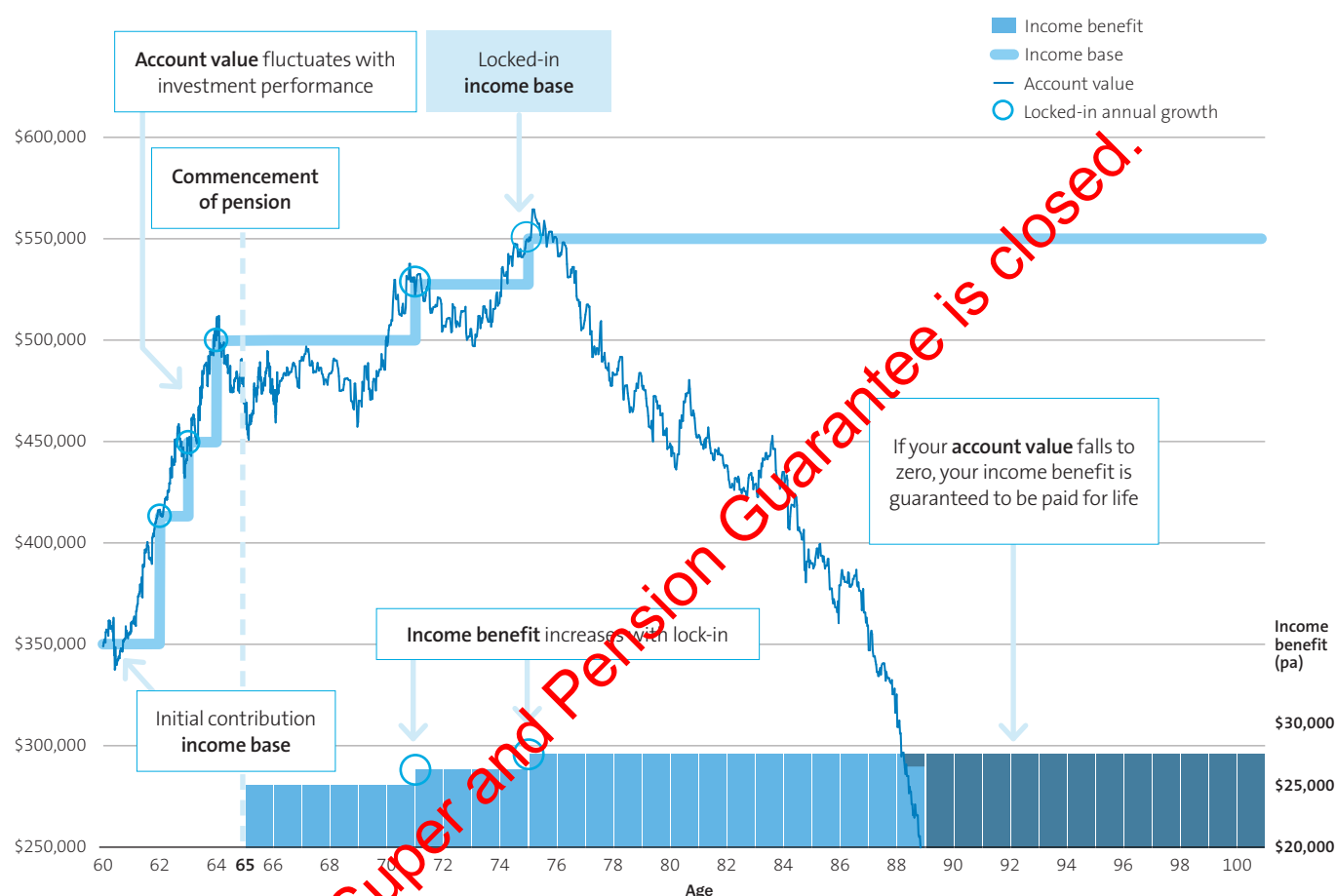
Key guarantee terms	Definition
account value	The current market value of your underlying investments (including the cash account).
contribution threshold (superannuation only)	Initially set as 15% pa of your initial investment , this is the amount that can annually be contributed to your superannuation account without incurring an additional contribution Guarantee fee . Any amount contributed to your superannuation account above the contribution threshold will incur an additional contribution Guarantee fee .
excess withdrawals	Certain withdrawals are treated as excess withdrawals . Excess withdrawals will decrease your income base , income benefit and your contribution threshold .
Guarantee	A Protected Retirement guarantee .
Guarantee anniversary date	Each anniversary from the date the Guarantee commences. The date we review your income base and lock in any growth in your account value as a result of positive investment performance in the preceding year, provided your account value is greater than your current income base .
Guaranteed joint life	A spouse as defined under superannuation law as a legal dependent, nominated at the commencement of the Protected Retirement guarantee to receive the income benefit upon death of the member.
income base	The income base is the amount used to calculate your income benefit . It is the sum of any contributions (less any upfront fees , income payments above the income benefit , lump-sum payments, ongoing advice fees above 0.50% pa or taxes) made into your North account increased for any lock-in made as a result of positive investment performance.
income benefit	The percentage of your income base guaranteed to be paid to you under the terms of the Guarantee , for the duration of your life.
initial investment period and initial investment	The initial investment period is the first 90 days from the time the Guarantee is accepted by us. The initial investment is all contributions, rollovers and transfers (less upfront fees and withdrawals) received in this period. If an initial investment is not received during the initial investment period , the Guarantee will be terminated.
investment strategies	The investment strategy you select determines the investment options available for you to invest in.
Protected Retirement guarantee	Guarantees to pay for the duration of your life, a set percentage of your income base .
upfront fees	Any upfront advice fees, paid to your financial adviser or the additional contribution Guarantee fee . Your income base is set after upfront fees have been deducted.

Protected Retirement guarantee features

When you become a member of North you can elect to have AMP's **Protected Retirement guarantee** as a feature of your account. The following illustrates how AMP's **Protected Retirement guarantee** works when your **account value** is not exhausted.



The following illustrates how AMP's **Protected Retirement guarantee** works when your **account value** is exhausted and guarantee payments are paid from NMLA.



You must select from one of two investment strategies if you have a **Protected Retirement guarantee**.

Things you need to know

The **income base** will decrease when taxes, certain advice fees and withdrawals are paid from your North superannuation account or **excess withdrawals** are made from your North pension account.

The **income base** will not decrease when ongoing advice fees (up to 0.5% pa) and withdrawals (up to the annual **income benefit**) are paid from your North pension account.

Income base

The **income base** is the sum of all contributions and rollovers received (less any **upfront fees**, taxes, or other **excess withdrawals**) prior to the commencement of your pension. When you commence a North pension account, the **Protected Retirement guarantee** guarantees to pay, for the rest of your life, a set percentage of your **income base**.

Each year in both the superannuation and pension phase we will lock in any growth as a result of positive investment performance on your **account value**, provided your **account value** is greater than your **income base** on your **Guarantee anniversary date**.

Your **income base** will not decrease as a result of:

- negative market performance on your investments
- administration fees associated with your North account
- ongoing advice fees (up to 0.5% pa)
- pension payments in North pension up to the maximum of either the annual **income benefit** or the legislated pension minimum
- investment management fees
- **Guarantee** fees
- buy/sell costs.

Your **income base** will decrease as a result of **excess withdrawals**.

At any stage you are able to cease the **Protected Retirement guarantee** and:

- remain in North without a **Guarantee** or
- fully withdraw your funds (subject to superannuation law).

You cannot change **investment strategy** during the **Guarantee**. You can switch investment options within your chosen **investment strategy**.

For further information on ceasing your **Guarantee** please see pages 36 and 37.

Income benefit

The **income benefit** is a percentage of the **income base** and:

- is set at the commencement of a **Protected Retirement guarantee** pension
- is calculated annually on your **Guarantee anniversary date**
- for as long as you continue to hold the **Protected Retirement guarantee**, is paid for the duration of your life (and if applicable that of your **Guaranteed joint life**).

The **income benefit** depends on your age (and, if applicable, your **Guaranteed joint life's** age) at the time of conversion from superannuation to pension. The percentage is set for the duration of your (and, if applicable, your **Guaranteed joint life's**) life.

Should at any stage the current legislative minimum pension payment be greater than your **income benefit**, the legislative minimum pension payment will be made without impacting the **income base**. Refer to ato.gov.au for current legislative minimum pension amounts.

The **income benefit** is calculated with the following table.

Age of youngest life ⁽ⁱ⁾	Income benefit ⁽ⁱⁱ⁾ (%)
Up to and including age 60	4.0
61	4.2
62	4.4
63	4.6
64	4.8
65 or greater	5.0

(i) Whichever is the younger of the member or the nominated **Guaranteed joint life** at the commencement of the pension.

(ii) The **income benefit** will always be the greater of the percentage listed in the table above or the current legislative minimum pension payment.

We will review any changes to the legislative minimum payments and reserve the right to change the terms and conditions of the **Protected Retirement guarantee**.

All **income benefit** payments reduce the **account value** dollar-for-dollar until the **account value** is zero.

Investment strategies

Your choice of investment strategies

Things you need to know

- You must select an **investment strategy**, and each strategy has its own investment menu.
- If you do not select any investment options, in addition to an **investment strategy**, your investment will remain in the cash account.

A tailored investment menu is available for each **investment strategy**. Your investment instructions can only include investment options available within your chosen strategy's investment menu. For more information on the investment options available, please refer to the North Investment Options document, northonline.com.au or contact the North Service Centre on 1800 667 841.

Switching between investment options is limited to six times per year. Switching between **investment strategies** is not permitted.

If you elect to cease a **Guarantee** and continue to remain a member of North, you will automatically have access to all North investment options.

When you are considering altering your investments please refer to the latest North Investment Options document for investment options. This document is available from your financial adviser or by logging into North Online (northonline.com.au). Alternatively, contact the North Service Centre on 1800 667 841.

Investment option closures

We may, from time to time, remove certain investment options, (for example, where the investment option has been terminated by the fund manager). Where this occurs, we will provide you with 30 days prior notice to give you the opportunity to select an alternate investment option. Where we cannot provide you with 30 days prior notice (due to circumstances outside of our control), we will provide you with notice as soon as practicable for you to change your investment instructions.

Where we cannot provide you with adequate notice or where we have not received alternate investment instructions from you, we will change your investment instructions and, if applicable, transfer the amount invested in the relevant option, to the AMP Capital Wholesale Cash Management Trust (APIR code: NML0018AU). The PDS for the AMP Capital Wholesale Cash Management Trust is available from North Online. You can make a switch out of this investment option at any time. For more information on the closing of investment options please refer to PDS – Part A.

Investment options available in each strategy

	Investment strategy	
	Moderately Defensive	Balanced
AMP Wholesale Cash Management Trust	✓	✓
North Guardian Moderately Defensive Fund	✓	✗
North Guardian Balanced Fund	✗	✓

Guarantee fees

This section sets out the guarantee fees that you may be charged. These fees are deducted from your North Super or Pension cash account. Tax information is set out on page 37 of this PDS.

You should read all of the information about fees as it is important to understand their impact on your North Super or Pension account.

Fees and costs for North Super and Pension and investment options are set out in the North Super and Pension PDS – Part A and North Investment Options document respectively.

Type of fee or cost	Amount	How and when paid
Guarantee fee	2.45% to 3.55% pa ongoing depending on the investment strategy selected and whether it is a single or joint option. If a Guaranteed joint life is selected, the Guarantee fee is 0.80% pa more than a single life Guarantee with the same investment strategy.	Calculated monthly on the opening account value on the day the fee is applied and deducted monthly from your account value . No Guarantee fee is deducted if your account value has run out.
Additional contribution Guarantee fee (Superannuation only)	An additional fee of up to 7% of each additional contribution made in excess of the annual contribution threshold .	This fee is deducted from your additional contribution at the time the contribution is made. Calculated at the time of the additional contribution depending on the investment strategy and the number of years that have elapsed since the start of the Guarantee .

Guarantee fee

The **Guarantee** fee is calculated on your **account value**. The **Guarantee** fee you pay depends on the **investment strategy** you have selected. If you cease the **Protected Retirement guarantee** or make a full withdrawal prior to completion of a month, a pro rata **Guarantee** fee will be applied for the period between your last monthly **Guarantee** fee payment and the date the **Guarantee** ends.

We reserve the right to alter the **Guarantee** fee that applies to your account. You will be informed of any change to the **Guarantee** fee at least 30 days before it occurs.

Investment strategy	
Moderately Defensive	Balanced
2.45% pa	2.75% pa

0.80% pa will be added to the **Guarantee** fee if a **Guaranteed joint life** is selected. A **Guaranteed joint life** can be removed at any time; however, the **Guarantee** fee will not be reduced.

No **Guarantee** fee is deducted if your **account value** is zero.

Guarantee fee and the income base

The **Guarantee** fee will not reduce your **income base**. This fee is deducted from your **account value**.

Example of annual fees and costs

This table gives an example of how the **Guarantee** fees and costs in the North Personal Superannuation product with a **Protected Retirement guarantee** can affect your superannuation investment over a one-year period. You should use this table to compare this product with other superannuation products.

Balance of \$50,000 with total contributions of \$5,000 during year		
Contribution fees ⁽ⁱ⁾	Nil	Not applicable
Plus Management Costs	1.57% ⁽ⁱⁱ⁾ pa	And on a balance of \$50,000 you will be charged \$785 each year
Plus Guarantee fee	2.75% ⁽ⁱⁱⁱ⁾ pa	Plus on a balance of \$50,000 you will be charged \$1,375
Equals Cost of fund		If you put in \$5,000 during a year and your balance was \$50,000, you would be charged a fee of \$2,160. ^(iv) What it costs you will depend on your total account value , the underlying investments you choose and the fees you negotiate with your financial adviser. The costs will also depend upon the term and investment strategy selected for your Guarantee .

(i) Does not include an additional contribution **Guarantee** fee.

(ii) Based on the maximum administration fee for a balance of \$50,000 (0.95% pa), Stronger Super fee (0.03% pa) plus the investment cost of the North Guardian Balanced Fund (0.59% pa). Refer to PDS – Part A for information on the administration fee.

(iii) Based on a single life **Protected Retirement guarantee** and **investment strategy** Balanced.

(iv) Additional fees may apply, including advice fees, see PDS – Part A.

Additional contribution Guarantee fee

The additional contribution Guarantee fee is only applicable if you have selected a **Protected Retirement guarantee** and then contribute or roll over amounts in excess of the annual **contribution threshold** into your North superannuation account.

An upfront additional contribution Guarantee fee up to 7% will be deducted from each contribution and each rollover above the annual **contribution threshold**. The percentage rate applied will differ depending on the **investment strategy** you have chosen. The net contribution or rollover amount will be applied to your **account value** and form part of your **income base**.

The additional contribution Guarantee fee applicable to your account may change from time to time. The current additional contribution Guarantee fee that will apply can be found on North Online, at northonline.com.au. You should refer to this table whenever you are making a contribution that will be in excess of the **contribution threshold**.

We reserve the right to alter the additional contribution Guarantee fee that applies to your North superannuation account up to the maximum allowable under the Fund's Trust Deed. Refer to PDS – Part A for information on maximum fees and increases or alterations in charges.

You will be informed of any increase to the additional contribution Guarantee fee above the 7% limit detailed above at least 30 days before it occurs.

For example

If your annual **contribution threshold** amount is \$10,000 and you decide to contribute \$20,000 in a given year, the additional contribution Guarantee fee would be applicable to the \$10,000 that is above the threshold. If the additional contribution Guarantee fee is 2.5% at the time of your contribution, the upfront additional contribution Guarantee fee on the contribution would be \$250.

When making a contribution via North Online in excess of the annual **contribution threshold**, you will be notified that the fee is to be charged.

When making a contribution by direct debit from your bank account, we will inform you that the additional contribution Guarantee fee has been applied in your deposit confirmation letter.

Additional contribution Guarantee fee and the income base

For contributions or rollovers into your North superannuation account where an upfront additional contribution Guarantee fee has been applied, only the net contribution or rollover will be added to your **income base**.

Advice fees

Things you need to know

- Advice fees are described in PDS – Part A.
- Advice fees up to the limits described in PDS – Part A can be paid from your account.
- The impact advice fees may have on your **income base** will depend on whether you are in the Superannuation or Pension phase.

Superannuation phase

While you remain in the Superannuation phase, the following will apply:

- Ongoing advice fees can only be specified as a percentage.
- Ongoing advice fees up to 0.50% pa will not impact your **income base**.
- Ongoing advice fees above 0.50% pa and all one-off advice fees payments are allowed but will be treated as an **excess withdrawal**. See page 35 for details around how **excess withdrawals** will affect your account.

Pension phase

While you are in the Pension phase, the following will apply:

- Ongoing advice fees can only be specified as a percentage.
- Ongoing advice fees are capped at 0.50% pa and will not impact your **income base**.
- One-off advice fee payments are allowed but will be treated as an **excess withdrawal**. See page 35 for details around how **excess withdrawals** will affect your account.

See PDS – Part A for full information on advice fees.

Risks applicable to investing with a North Protected Retirement guarantee

Risks

As with any investment, members in North are subject to various risks. The significant risks associated with the **Protected Retirement guarantee** are discussed below and must be read in conjunction with the other risks discussed in the North PDS – Part A.

Counterparty risks

NM Super has purchased a life policy from NMLA under which NM Super offers the **Protected Retirement guarantee**. NM Super is only liable to make payments to members who have taken up the **Protected Retirement guarantee** to the extent that NM Super receives any proceeds under the life policy from NMLA. In turn, NMLA's liability to make payments under the life policy is limited to the extent to which such payments can be satisfied from the assets of the statutory fund to which the policy is referable. Members are, therefore, exposed to counterparty risk as a result of NM Super's liability to make payments to members being limited to the extent to which it receives any proceeds under the life policy. Members are, therefore, indirectly exposed to the financial strengths and solvency of the statutory fund operated by NMLA to which the life policy is referable.

Liability management risk

NM Super has purchased the life policy from NMLA, which is a life insurance company regulated under the *Life Insurance Act 1995*. The assets that support the life policy, and the business associated with the life policy, are referable to a particular statutory fund which has been established by NMLA pursuant to the *Life Insurance Act 1995*.

NMLA is subject to the requirements of the *Life Insurance Act 1995* and is regulated by the Australian Prudential Regulation Authority.

As a life company, NMLA must meet certain operational, capital and risk management requirements to operate a life insurance business. NMLA holds capital and employs a range of risk management techniques to manage the liabilities arising from the **Protected Retirement guarantee**.

There is a risk that the capital and risk management techniques employed by NMLA will not adequately cover the liabilities arising from the **Protected Retirement guarantee**. In the event this occurs, NMLA may not be able to satisfy a demand for payment under the life policy from NM Super, with the consequence that NM Super is not liable to meet a demand for an **income benefit** payment from a member.

Operational risk

Members are exposed to the risk that NM Super's compliance and management policies or information technology will not operate effectively, which may have an adverse impact on the value of the **Protected Retirement guarantee**, your investments or your experience with the product generally. NM Super has business continuity plans, operational risk management, compliance and audit procedures and policies in place to reduce the possibility of these risks occurring.

Unrealised benefit risk

The full benefit of the **Protected Retirement guarantee** is only realised once a member's **account value** is reduced to zero. It is only when the **account value** is reduced to zero that NMLA is obliged to make payments in respect of the member (or, if applicable, the member's **Guaranteed joint life**) under the **life policy** that supports the Guarantee. The risk of purchasing a **Protected Retirement guarantee** is that the member (or, if applicable, **Guaranteed joint life**) will not live long enough for their **account value** to be reduced to zero and will, therefore, not receive any of the benefits provided by NMLA under the **life policy**.

Removal of investment options

We may, from time to time, remove certain investment options (for example, where the investment option has been terminated by the fund manager). Where this occurs, we will provide you with 30 days prior notice to give you the opportunity to select an alternate investment option. Where we cannot provide you with 30 days prior notice (due to circumstances outside of our control), we will provide you with notice as soon as practicable for you to change your investment instructions.

Where we cannot provide you with adequate notice or where we have not received alternate investment instructions from you, we will change your investment instructions and, if applicable, transfer the amount invested in the relevant option, to the AMP Capital Wholesale Cash Management Trust (APIR code: NML0018AU). The PDS for the AMP Capital Wholesale Cash Management Trust is available from North Online. You can make a switch out of this investment option at any time. For more information on the closing of investment options please refer to PDS – Part A.

NM Super does not guarantee the payment of income distributions or the performance of the investment options selected by members. Refer to 'Income distributions' on page 35 of this PDS for information on the way distributions are paid into your **account balance**.

Termination of a Guarantee

The **Protected Retirement guarantee** terminates immediately for a North member who has taken up the **Guarantee** if the member:

- fails to pay any fee for which they are liable to pay NM Super under the PDS – Parts A and B, as and when they are due and payable for whatever reason
- fails to meet any of their obligations under the PDS – Parts A and B (for example, fails to provide complete or adequate personal information or withdrawal requests to NM Super in respect of the **Protected Retirement guarantee**)
- fails to comply with the terms and conditions of the PDS – Parts A and B (for example, switches to an **investment strategy** or option not permitted under the PDS)
- ceases the **Protected Retirement guarantee** in accordance with the PDS – Parts A and B
- dies and has either not nominated a **Guaranteed joint life**, or the **Guaranteed joint life** nominated by the member has predeceased the member
- dies, and then the **Guaranteed joint life** nominated by the member subsequently dies
- converts their North pension account into a superannuation account
- makes an **excess withdrawal** of 90% or more of their **account value**
- does not make an **initial investment** during the **initial investment period**.

Inflation

It is important to note that the **income benefit** paid under a **Protected Retirement guarantee** is not adjusted for inflation. This means that as inflation rises the purchasing power of the **income benefit** may reduce over time.

Regulatory risk

This is the risk that domestic or international laws or regulations are changed adversely or that regulatory supervision of transactions and reporting is performed by managers and their custodians at less than an appropriate standard. We mitigate this risk by regularly reviewing changes in the law.

Wealth Master Trust Deed and NM Super's discretion to offer the North Guarantee

The North **Guarantee** is governed by the Wealth Master Trust Deed. The Trust Deed contains the rules and obligations for both NM Super and members. Under the Trust Deed, NM Super has the discretion to offer to guarantee all or part of a member's benefit and may establish rules in relation to any matter it considers appropriate including the terms and conditions set out in this PDS – Part B.

Accessing the Wealth Master Trust Deed

Copies of the Wealth Master Trust Deed will be provided free of charge on request if you contact us on 1800 667 841 or email us at north@amp.com.au.

Change to material terms and conditions

Please refer to page 39 for information on the North material terms and conditions and how they can impact on your investment.

Life policy

Copies of the **life policy** are available for review. Please contact us on 1800 667 841 to arrange a time to review the **life policy**.

Other important information

Minimum age restrictions

Minimum age to apply a Protected Retirement guarantee

To apply a **Protected Retirement guarantee** to a North account both the member and the **Guaranteed joint life** (if selected) must be at least 50 years of age.

Minimum age to commence a pension with a Protected Retirement guarantee

To commence a pension with a **Protected Retirement guarantee** you must have reached preservation age and your spouse, if a **Guaranteed joint life** is to be selected, must be at least 55 years of age.

Guaranteed joint life

Things you need to know

- **Guaranteed joint life** can only be selected upon application for a **Protected Retirement guarantee**.
- A **Guaranteed joint life** cannot be changed during the life of the **Protected Retirement guarantee**.
- Selecting a **Guaranteed joint life** will increase your **Guarantee fee** for the duration of the **Protected Retirement guarantee**.
- The **Guaranteed joint life** must also be nominated as the reversionary pensioner at the time the pension commences.

At the commencement of the **Protected Retirement guarantee**, members have the option to nominate a **Guaranteed joint life**. The **Guaranteed joint life** must be a spouse under superannuation law and must be nominated at the time you apply for a **Protected Retirement guarantee**.

The **income benefit** will continue to be paid for the duration of both the member's and the **Guaranteed joint life's** life.

Nominating a **Guaranteed joint life** will increase the **Guarantee fee** by 0.80% pa. See page 30 for information on fees.

Regardless of the member's circumstances, a **Guaranteed joint life** cannot be changed after the commencement of the **Protected Retirement guarantee**. A **Guaranteed joint life** can be removed at any time; however, the **Guarantee fee** will not be reduced.

Please note that a **Guaranteed joint life** must be a spouse under superannuation law at the time of the member's death to continue receiving the **income benefit**. In circumstances where the **Guaranteed joint life** is no longer a spouse under superannuation, law the **Protected Retirement guarantee** will

cease and any proceeds will be made available to the Trustee for distribution. See 'Payments made upon death' page 36 for further information.

Contributions (superannuation only)

Things you need to know

- Contributions, rollovers and transfers up to the **contribution threshold** are guaranteed.
- Each contribution in excess of your **contribution threshold** will attract a one-off, upfront **additional contribution Guarantee fee**. This net amount will be added to your **income base**.

Contributions, rollovers and transfers as described in PDS – Part A can be accepted into your North superannuation account. The following details only apply to accounts that have a **Guarantee** and must be read in conjunction with PDS – Part A and information on contributions on North Online northonline.com.au.

We reserve the right not to accept additional ongoing contributions, rollovers and transfers under the **Guarantee**. You will be notified of any changes.

Contribution threshold

The **contribution threshold** is initially set at 15% pa of your **initial investment**. Contributions, rollovers and transfers received into your North Personal Superannuation plan up to the **contribution threshold** are accepted. Each amount received over the **contribution threshold** will incur an upfront additional contribution **Guarantee fee**. The **contribution threshold** applies to the period from one **Guarantee anniversary date** to the next while you are in superannuation.

All contributions (less any **upfront fees**) received are added to the **account value** and **income base** on a dollar-for-dollar basis. This means that your **account value** and **income base** both reflect the net contribution amount.

There are certain circumstances where the **contribution threshold** will be reduced from the initial 15%. See 'Excess withdrawals' on page 35 for further information.

For further information on fees please refer to PDS – Part A and pages 30 and 31 of this PDS – Part B.

Contributions and the initial investment period

Your **initial investment period** is the first 90 days from your **Guarantee** application being accepted by us. The period begins on the day that the **Guarantee** application is accepted by us and ceases at close of business on the 90th day thereafter.

The **initial investment period** is designed to allow you to invest funds into the North account with a **Guarantee** over a 90-day period without incurring an additional contribution Guarantee fee. Balances greater than \$2 million need to be approved before they will be accepted.

Your **initial investment**, calculated at the completion of the **initial investment period**, is used to determine the **contribution threshold** that will apply to your account. This threshold is determined by calculating:

$$\left[\begin{array}{c} \text{The total of all} \\ \text{contributions} \\ \text{(within the initial} \\ \text{investment period)} \end{array} - \begin{array}{c} \text{withdrawals} \\ \text{(within the initial} \\ \text{investment} \\ \text{period)} \end{array} \right] \times 15\%$$

Income distributions

Investment options will generally earn income distributions and may also generate capital gains. Investment earnings are paid in the form of distributions. Distributions received on accounts with a **Guarantee** are not treated as an additional contribution and do not increase your **income base** when received. Income distributions are added to your **account value**.

Withdrawals

Things you need to know

- All **excess withdrawals** will decrease your **income base** on a dollar-for-dollar or proportionate basis, whichever is greater.

Any withdrawal made from your North account is subject to superannuation law and Trust Deed requirements as described in PDS – Part A. The following only applies to accounts that have a **Guarantee** and must be read in conjunction with PDS – Part A and information on withdrawals on North Online northonline.com.au.

A copy of this information will be provided free of charge on request, please contact North at north@amp.com.au or on 1800 667 841. It should be read in conjunction with this PDS.

At the time of the withdrawal your **account value** and **income base** will be adjusted in one of two ways:

- dollar-for-dollar basis, which means that they both reduce exactly by the amount withdrawn
- proportionate basis, which means that the **income base** is reduced by the same proportion as the **account value**. This adjustment basis will be less favourable, as your **income base** will be reduced by more than the amount withdrawn. Refer to example on page 36 for a worked example.

Excess withdrawals

Any **excess withdrawal** made from your North superannuation or pension account will decrease your **income base** on a proportionate or dollar-for-dollar basis, whichever is greater.

Any **excess withdrawal** includes:

- withdrawals from your North superannuation account including rollovers and lump-sum payments
- lump-sum payments from your North pension account
- income payments from your North pension account in excess of your annual **income benefit** or the current legislative pension minimum payment
- ongoing advice fees in excess of 0.50% pa and all one-off advice fee payments
- taxation payments
- withdrawals in relation to family law withdrawals and splits
- other payments such as insurance premiums or stamp duty.

There are certain withdrawals from your **account value**, other than **income benefit** payments, that are not included as an **excess withdrawal** and do not reduce your **income base**. These withdrawals include:

- administration fee
- investment management fee
- buy/sell costs
- **guarantee** fee
- ongoing advice fees up to 0.50% pa.

If you make an **excess withdrawal** of 90% or more of your **account value**, your **Guarantee** will cease. See 'Ceasing your Guarantee' on pages 36 and 37 for further detail on the impact of ceasing your **Guarantee**.

Excess withdrawals when your account value is greater than your income base

While your **account value** is greater than your **income base**, any **excess withdrawals** will reduce your **account value** and **income base** on a dollar-for-dollar basis.

For example

Maria has an **account value** of \$100,000 and an **income base** of \$90,000. She has already withdrawn her **income benefit** for the year and needs to withdraw another \$10,000. Both the **account value** and **income base** will reduce on a dollar-for-dollar basis.

Account value	\$100,000 – \$10,000	=	\$90,000
Income base	\$90,000 – \$10,000	=	\$80,000

Excess withdrawals when your account value is less than your income base

While your **account value** is less than your **income base** any excess withdrawals will reduce both your **account value** and **income base** on a proportionate basis.

For example

Maria has an **account value** of \$100,000 and an **income base** of \$110,000. She has already withdrawn her **income benefit** for the year and needs to withdraw another \$10,000. The **income base** will reduce proportionately to the **account value**.

$\$10,000 \div \$100,000 = 10\%$ therefore both the **account value** and the **income base** will reduce by 10%.

Account value	$\$100,000 - (\$100,000 \times 10\%)$	=	\$90,000
Income base	$\$110,000 - (\$110,000 \times 10\%)$	=	\$99,000

Investment instructions

Things you need to know

- Your investment profile in your North Superannuation Pension account must only include investment options available for your chosen **investment strategy**.
- Investment options will be sold proportionally across your **account value**.
- You can switch between investment options up to six times per year.

You must nominate your investment instructions on your application. Your investment instructions allow us to manage your cash account by investing contributions into your selected investment options and selling units for transactions that require funds, such as fees or withdrawals.

Your investment instructions for purchases must specify percentages to allow units to be purchased across your selected investment option(s).

You can only have a proportionate sell instruction. You or your adviser can alter your investment instructions at any time via North Online provided your selected investment options are available in your **investment strategy**.

For more information on investment instructions please refer to PDS – Part A.

Ceasing your Guarantee

Things you need to know

- You can cease your **Guarantee** at any time and remain a member of North.
- You will be entitled to your **account value**.
- You cannot apply for a **Guarantee** if you have ceased any **Guarantee** in the previous 90 days.

You may elect to cease your **Protected Retirement guarantee** at any time. If you do you can:

- remain invested in North without a **Guarantee**
- make a full withdrawal from North.

When you cease your **Protected Retirement guarantee** or make a full withdrawal from your account, the total amount you are entitled to receive from North is equal to your **account value**.

All **Guarantee** charges will cease on the date we process your request to cease your **Guarantee**.

If you elect to cease the **Protected Retirement guarantee** and remain invested in North:

- the **Guarantee** fee will no longer be charged
- you will have access to the entire North investment option menu
- you will no longer have an **income benefit** or **income base**
- the investment option, contribution, withdrawal or switching restrictions applicable to the **Protected Retirement guarantee** will no longer apply.

You cannot apply for a **Guarantee** if you have ceased a **Guarantee** in the previous 90 days. We reserve the right to waive or extend this 90-day period at any time.

We reserve the right to terminate a **Guarantee** where we believe a **Guarantee** is applied to a North account funded in whole or part with funds that have been protected in the previous 90 days.

Payments made upon death

The treatment of the **Guarantee** on death depends on whether you have nominated a **Guaranteed joint life** or made another type of beneficiary nomination, if any, on your North account.

If you have nominated a Guaranteed joint life

Your North account and the **Guarantee** may continue with your nominated **Guaranteed joint life** in accordance with your current pension arrangements. Any amounts withdrawn from your account by the Trustee will be treated as a withdrawal. Where the **Guarantee** has been transferred to your **Guaranteed joint life**, the **Guarantee** will cease when we receive a certified copy of the **Guaranteed joint life's** death certificate. Any remaining **account value** will then be made available for distribution to any beneficiaries by the Trustee.

If you have nominated a reversionary in pension (without a Guaranteed joint life)

The **Guarantee** will cease once we receive a certified copy of the death certificate. Your North account may continue with your nominated reversionary in accordance with your current pension arrangements until the **account value** is exhausted. If you have exhausted your **account value** prior to your death, there will be no **account value** to be transferred to your nominated reversionary. Your account will be closed and your nominated reversionary will be notified in writing. Any amounts withdrawn from your account by the Trustee will be treated as a withdrawal.

All other beneficiary nominations or no nomination

The **Guarantee** will cease when we receive a certified copy of the death certificate. Your **account value** will then be made available to the Trustee for distribution to your beneficiary/ies or legal personal representative. All assets will remain invested according to your investment instructions until alternative investment instructions are received from the valid beneficiary/ies or legal personal representative as determined by the Trustee. If you have exhausted your **account value** prior to your death, there will be no **account value** to be distributed by the Trustee. Your account will be closed and your dependants (if any) will be notified in writing. Any amounts withdrawn from your account by the Trustee will be treated as a withdrawal.

Payments made under conditions of early release

Any payments made under conditions of early release will be treated as a withdrawal. Early release payments include payments made as a result of:

- permanent incapacity
- financial hardship
- compassionate grounds
- terminal illness
- any other condition of early release specified by superannuation law.

Guarantee taxation information

Things you need to know

- Most tax payments made will reduce your **account value** and **income base** on a dollar-for-dollar basis.
- Most tax payments will reduce your **income base** on a dollar-for-dollar basis, or proportionally, whichever is the greater.

The taxation information provided in this PDS must be read in conjunction with the taxation information found on North Online northonline.com.au. A copy of this information will be provided free of charge on request; please contact North at north@amp.com.au or on 1800 667 841. If you select a **Guarantee** the following details will also apply in relation to taxation of your account.

Tax payments

An amount of tax will be deducted quarterly from your account and paid quarterly to the ATO. The amount of tax deducted will be determined with reference to contributions tax, assessable investment income, realised capital gains and deductible fees received in your account.

Any tax payments will reduce the **account value** and the **income base** on a dollar-for-dollar basis and will not be included in the **withdrawal threshold** with the exception of:

- PAYG tax on pension payments, and
- Release Authority payments made to pay tax on contributions in excess of the contributions caps.

These payments will reduce the **income base** on a dollar-for-dollar basis or proportionally, whichever is the greater.

Upon withdrawal from your account, a provision for realised capital gains tax will be made and the **account value** and the **income base** will be reduced by this amount.

Tax refunds

Any tax refunds paid to your account will not increase the **income base**. They will be added to your **account value** and may increase the **income base** on the following lock-in date if your **account value** is then greater than your **income base** and lock-in occurs. Any tax refunds paid into your account are not included in your **contribution threshold**.

If you are no longer a member of the North Personal Superannuation plan at the time of distribution, any tax refunds will be transferred to your chosen fund if you have rolled over to another superannuation fund, or paid to your nominated bank account if you have withdrawn your account balance.

Taxation and the Protected Retirement guarantee

A tax deduction cannot be claimed on the **Protected Retirement guarantee** fee, as the **Guarantee** fee is incurred in deriving non-assessable and non-exempt income. Investment earnings, capital gains and any benefit arising from the **Protected Retirement guarantee** (including the **income benefit**) are exempt from tax within the North Personal Pension.

You should also consider your Centrelink situation with a tax professional when considering this product. Please see your financial adviser and tax professional for further information.

Certificate of survival

We reserve the right to require confirmation in the form we determine from time to time, that the member and/or **Guaranteed joint life** is still alive. Until we receive such confirmation to our satisfaction, we reserve the right to suspend payments.

Guarantee social security implications of the Protected Retirement guarantee

The social security information outlined in this document is based on our understanding of current laws and their interpretation. Individual circumstances may vary. This summary applies to the **Protected Retirement guarantee** as it is described within this PDS. If any of the features of this product or current law and its interpretation are amended in future this assessment may change. Please speak to your financial adviser or refer to the ATO at ato.gov.au for further information.

Prior to commencing a pension

Prior to the **Protected Retirement guarantee** commencing an income stream, the product will be classified as a financial investment. If you are of pension age, the **account value** will be assessed under the assets test, and income will be deemed using standard deeming rates under the income test.

If you are under pension age, the **account value** is not counted under the assets test and not subject to deeming under the income test.

Once a pension has commenced – where account value is greater than \$0

Once the **Protected Retirement guarantee** has commenced paying an income stream, it will be assessed as an account-based income stream. The **account value** will be assessed under the assets test. The income test will assess the income received less a deduction, calculated with reference to the purchase price divided by the life expectancy at the time of purchase.

Once a pension has commenced – where account value equals \$0

The asset value is \$0 and the income test would continue to apply as outlined above.

For further information regarding the social security implications of the **Protected Retirement guarantee**, please speak to your financial adviser or contact your local Centrelink office.

Section 3 North material terms and conditions

A summary of the material terms and conditions of the North Personal Superannuation and Pension are as follows:

- Minimum initial investment of \$2,000 and minimum total portfolio balance of \$2,000.
- Investment options when a **Guarantee** is selected are restricted to those indicated in the latest North Investment Options document.
- Investment switching when a **Guarantee** is selected is restricted to the investment switching described in this PDS.
- Members will be charged the fees disclosed in the North PDS – Part A.
- Fees and other costs will be deducted from your North account and include an administration fee, Investment costs and any advice fees agreed between you and your financial adviser. Refer to 'Fees and other costs' in the North PDS – Part A for more detailed information.
- Instructions provided for withdrawals and investments must be readable and capable of being understood by NM Super.
- NM Super may vary the terms of the Wealth Master Trust Deed at any time without prior notice to members, if NM Super considers the amendment is not adverse to member interests.
- You must have a cash account.
- NM Super may add or remove investment options at any time. If an investment option is no longer available, your interests will be sold down and invested in the AMP Capital Wholesale Cash Management Trust until your instructions are received, (for more information, see page 14 for **Protected Investment** and **Protected Growth** guarantees and page 32 for **Protected Retirement** guarantee.)
- Distributions will be paid into your cash account and invested according to your investment purchase instructions or can be paid as a regular withdrawal subject to the satisfaction of government preservation requirements, relevant legislation (where applicable) and Trust Deed requirements as described in PDS – Part A.
- The provision of North Personal Superannuation and Personal Pension is dependent on NM Super's systems and procedures operating efficiently and accurately.
- An investment in North Personal Superannuation and Personal Pension is subject to the risks described in this North **Guarantee** PDS – Part B and the North Personal Superannuation and Personal Pension PDS – Part A.
- NM Super reserves the right to change the terms and conditions in the North Personal Superannuation and Personal Pension PDS – Part A and Part B subject to Trust Deed and regulatory requirements.
- NM Super reserves the right to accept or refuse (without reason) any application made to invest in North Personal Superannuation and Personal Pension.
- North Personal Superannuation and Personal Pension is governed by the Wealth Master Trust Deed. The Trust Deed contains rules and obligations for both NM Super and members. You should also read the North Personal Superannuation and Personal Pension PDS – Part A to ensure you are familiar with the terms and conditions of North Personal Superannuation and Personal Pension.

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North Super and Pension Guarantee is closed.

Contact your financial adviser

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