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# MyNorth<sup>®</sup> Super and Pension Guarantee

Product Disclosure Statement - Part B

Issue number 5, 30 September 2022



# MyNorth<sup>®</sup> Super and Pension Guarantee

## Supplementary Product Disclosure Statement

1 October 2023

This is a supplementary product disclosure statement (SPDS) to the **MyNorth<sup>®</sup> Super and Pension Guarantee product disclosure statement – part B (PDS)**, issue number 5, dated 30 September 2022. The SPDS supplements, amends, replaces or deletes some sections of the PDS. A person should read the SPDS, together with the **MyNorth Super and Pension product disclosure statement – part A, additional information booklet** and relevant **target market determination (TMD)** and consider whether this product is appropriate for them before making a decision to invest in MyNorth Super and Pension Guarantee.

**Page reference:** 8

**Title reference:** MyNorth Guarantee – the fundamentals

**Instructions:** Replace the **things you need to know** text box within the **5-year Guarantee with optional growth lock-in feature** section with the following:

### Things you need to know

This illustration does not account for the guarantee fees or tax liabilities attributed from the **guaranteed investment** over the life of the guarantee. The guarantee fee for the 5-year guarantee with **growth lock-in** feature is 1.70% pa, based on the **protected balance** and deducted from your cash account.

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

**Page reference:** 9

**Title reference:** MyNorth Guarantee – the fundamentals

**Instructions:** Replace the **things you need to know** text box within the **10-year Guarantee with vesting feature** section with the following:

### Things you need to know

This illustration does not account for the guarantee fees or tax liabilities attributed from the **guaranteed investment** over the life of the guarantee. The guarantee fee for the 10-year guarantee with vesting feature is 1.60% pa, based on the **protected balance** and deducted from your cash account.

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

**Issue date:** 1 October 2023

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The issuer of this SPDS and the Trustee of the Wealth Personal Superannuation and Pension Fund ABN 92 381 911 598 is N. M. Superannuation Proprietary Limited ABN 31 008 428 322, AFS Licence No. 234654.

**Page reference:** 9

**Title reference:** Guarantee fees and charges

**Instructions:** Replace the **how the Guarantee fee is calculated** section with the following:

### How the Guarantee is calculated

The following examples illustrate how the cumulative effect of the fees and costs of the MyNorth Super and Pension product with the Guarantee, as well as the fees and costs of the investment options that the Guarantee can apply to, can affect your superannuation investment over a one-year period. The actual fees and costs that you'll be charged will depend on your total **investment value**, **term**, the investment options you choose, additional features for your guarantee, and the transactions you carry out.

| Type of fee or cost           |             | Amount                                  |              |                                   | How and when paid   |
|-------------------------------|-------------|---|--------------|-----------------------------------|---|
| Ongoing annual fees and costs |             |   |              |                                   |   |
| Guarantee fee                 | 5 year term | 5 year term with growth lock-in feature | 10 year term | 10 year term with vesting feature | The ongoing guarantee fee is calculated and deducted from your cash account monthly, commencing one month from the date your guarantee commenced. |
|                               | 0.80% pa    | 1.70% pa                                | 1.05% pa     | 1.60% pa                          | It's based on the opening <b>protected balance</b> on the day the monthly fee is applied.   |

The guarantee fee is deducted from your cash account.

If you terminate the guarantee or sell all your holding in the **guaranteed investment** 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 increase to the guarantee fee at least 30 days before it occurs.

### How the guarantee fee is paid

The guarantee fee will not reduce your **protected balance** or **investment value**.

This fee is deducted from your cash account, which is held outside of the guarantee.

Page reference: 9

Title reference: Guarantee fees and charges

Instructions: Replace the **example of the total annual fees and costs** section with the following:

### Examples of total annual fees and costs

The following examples illustrate how the cumulative effect of the fees and costs of the MyNorth Super and Pension product with the Guarantee, as well as the fees and costs of the investment options that the Guarantee can apply to, can affect your superannuation investment over a one-year period. The actual fees and costs that you'll be charged will depend on your total **investment value**, **term**, the investment options you choose, additional features for your guarantee, and the transactions you carry out.

#### Example 1 – 5 year Guarantee without growth lock-in

| Example — 5 year guarantee on the Choice menu  |                                       |  | Balance of \$50,000   |
|--|---------------------------------------|--|---|
| Administration fees and costs <sup>(i)</sup>   | \$180 pa<br>+ \$180 pa<br>+ 0.015% pa | (Administration fee)<br>(Account fee)<br>(Trustee fee) | For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment <b>\$187.50</b> in administration fees and costs, plus <b>\$180.00</b> regardless of your account balance. |
| Plus Investment fees and costs <sup>(ii)</sup> | 0.80% pa<br>+ 0.82% pa                | (Guarantee fee)<br>(Investment option)                 | <b>And</b> , you will be charged or have deducted from your investment <b>\$810.00</b> in investment fees and costs.  |
| Plus Transaction costs                         | Nil                                   |  | <b>And</b> , you will be charged or have deducted from your investment <b>\$0.00</b> in transaction costs.  |
| <b>Equals</b> Cost of product <sup>(iii)</sup> |                                       |  | If your balance was \$50,000, at the beginning of the year, then for that year you will be charged fees and costs of <b>\$1,177.50</b> for the superannuation product.  |

- (i) This amount comprises the minimum administration fee of \$180 pa, the account fee of \$180 pa and the Trustee fee of 0.015% pa. In this example, the minimum administration fee has been applied, however for larger account balances, the administration fee will depend on your account balance. The Trustee fee will vary each year and may be less than 0.015% pa. This example assumes that the option is not held in a Lifetime account and the Lifetime fee of 0.10% pa has not been applied. For more information on administration fees and costs, see **MyNorth Super and Pension PDS – part A**.
- (ii) This amount comprises the guarantee fee for a 5 year guarantee without growth lock-in and the ongoing annual fees and costs for MyNorth Guardian Max 85. Please refer to the investment option's product disclosure statement for more details. This example assumes that your cash account balance is nil. A cash account investment fee of 0.75% pa will apply to the balance of your cash account.
- (iii) An estimated buy cost of 0.05% applies whenever you invest in MyNorth Guardian Max 85 (this will equal \$2.50 for every \$5,000 you invest). An estimated sell cost of 0.05% applies whenever you withdraw from MyNorth Guardian Max 85 (this will equal \$2.50 for every \$5,000 you withdraw). This example assumes the investment value and protected balance are the same. The guarantee fee will vary based on the protected balance, and all other fees are based on the investment value.  
**Additional fees and costs may apply, including member advice fees as agreed with your financial adviser. Refer to MyNorth Super and Pension PDS – part A for more information.**

#### Example 2 – 10 year Guarantee without vesting

| Example — 10 year guarantee on the Choice menu |                                       |  | Balance of \$50,000   |
|--|---------------------------------------|--|---|
| Administration fees and costs <sup>(i)</sup>   | \$180 pa<br>+ \$180 pa<br>+ 0.015% pa | (Administration fee)<br>(Account fee)<br>(Trustee fee) | For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment <b>\$187.50</b> in administration fees and costs, plus <b>\$180.00</b> regardless of your account balance. |
| Plus Investment fees and costs <sup>(ii)</sup> | 1.05% pa<br>+ 0.87% pa                | (Guarantee fee)<br>(Investment option)                 | <b>And</b> , you will be charged or have deducted from your investment <b>\$960.00</b> in investment fees and costs.  |
| Plus Transaction costs                         | Nil                                   |  | <b>And</b> , you will be charged or have deducted from your investment <b>\$0.00</b> in transaction costs.  |
| <b>Equals</b> Cost of product <sup>(iii)</sup> |                                       |  | If your balance was \$50,000, at the beginning of the year, then for that year you will be charged fees and costs of <b>\$1,327.50</b> for the superannuation product.  |

- (i) This amount comprises the minimum administration fee of \$180 pa, the account fee of \$180 pa and the Trustee fee of 0.015% pa. In this example, the minimum administration fee has been applied, however for larger account balances, the administration fee will depend on your account balance. The Trustee fee will vary each year and may be less than 0.015% pa. This example assumes that the option is not held in a Lifetime account and the Lifetime fee of 0.10% pa has not been applied. For more information on administration fees and costs, see **MyNorth Super and Pension PDS – part A**.
- (ii) This amount comprises the guarantee fee for a 10 year guarantee without vesting and the ongoing annual fees and costs for MyNorth Guardian Max 100. Please refer to the investment option's product disclosure statement for more details. This example assumes that your cash account balance is nil. A cash account investment fee of 0.75% pa will apply to the balance of your cash account.
- (iii) An estimated buy cost of 0.05% applies whenever you invest in MyNorth Guardian Max 100 (this will equal \$2.50 for every \$5,000 you invest). An estimated sell cost of 0.05% applies whenever you withdraw from MyNorth Guardian Max 100 (this will equal \$2.50 for every \$5,000 you withdraw). This example assumes the investment value and protected balance are the same. The guarantee fee will vary based on the protected balance, and all other fees are based on the investment value.  
**Additional fees and costs may apply, including member advice fees as agreed with your financial adviser. Refer to MyNorth Super and Pension PDS – part A for more information.**

**Note:** The fees and costs charged to access the Guarantee include the fees and costs for MyNorth Super and Pension and the guarantee fee. Additional fees and costs will be charged for the investment options you choose to apply the Guarantee to. For illustrative purposes, the above examples include these fees, however you should refer to the PDS for those investment options for information about the fees and costs applicable to them.

## What you need to know

Information current as at 1 October 2023. The information in this document is of a general nature only and does not take into account any of your personal objectives, financial situation or needs. Before acting on the information in this document, you should read and consider the appropriateness of this information having regard to your objectives, financial situation and needs. The MyNorth Super and Pension Product Disclosure Statement (PDS), Additional Information Booklet (AIB) and relevant Target Market Determination (together, the Disclosure Documents) is available at [northonline.com.au](http://northonline.com.au) or by contacting the North Contact Centre at [north@amp.com.au](mailto:north@amp.com.au) or on 1800 667 841. You should read and consider this document together with the Disclosure Documents before making any decision about whether to acquire or continue to hold your account.

MyNorth Super and Pension is issued by N.M Superannuation Proprietary Limited ABN 31 008 428 322 AFS Licence No. 234654 (NM Super). NM Super is the trustee of the Wealth Personal Superannuation and Pension Fund ABN 92 381 911 598. The guarantee provided under the MyNorth Super and Pension Guarantee is issued by NM Super and is supported by an agreement with National Mutual Funds Management Ltd (NMFM) ABN 32 006 787 720 AFS Licence No. 234652 and an undertaking from AMP Group Holdings Limited ABN 88 079 804 676. NMFM and NMMT are members of the AMP Group of companies (AMP Group).

An investment in the investment options offered through the Disclosure Documents is subject to investment risks, including possible delays in repayment and loss of income and capital invested. Apart from guarantee provided under MyNorth Super and Pension Guarantee, neither NM Super nor any other member of the AMP Group or the investment managers guarantee the repayment of capital, payment of income or the performance of the investment options.

Except as expressly disclosed in the Disclosure Documents, investment in the investment options are not deposits or liabilities of NM Super or AMP Bank Limited ABN 15 081 596 009 AFS Licence No. 234 517 (AMP Bank) or any AMP Group company. NM Super is not a bank. AMP Bank does not stand behind NM Super.

## Contact us

|              |  |
|--------------|--|
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N. M. Superannuation Proprietary Limited  
50 Bridge Street  
Sydney NSW 2000



# Important information about MyNorth Super and Pension Guarantee

MyNorth Super and Pension Guarantee is an option offered through the MyNorth Super and Pension Plan. The MyNorth and Super Plan is offered as 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 Product Disclosure Statement (PDS) is N.M. Superannuation Proprietary Limited ABN 31 008 428 322 (NM Super) AFS License No. 234654, a member of the AMP group of companies.

MyNorth Super and Pension Guarantee (referred to as the MyNorth Guarantee in this PDS) is an investment feature available to members of MyNorth Super and Pension plans. If selected, a member can choose an investment option from a limited range of permissible investment options available with a MyNorth Super Guarantee. The MyNorth Super and Pension Guarantee is not a MySuper authorised product.

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.

## How your Product Disclosure Statement (PDS) works

The MyNorth Super and Pension Guarantee Product Disclosure Statement (PDS) is Part B of the PDS for MyNorth Super and Pension and should be read in conjunction with:

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

As a member of MyNorth Super and Pension plan, you have the option of insurance cover from a number of insurers. Please refer to each insurer's PDS for more information at [www.northonline.com.au/mynorth](http://www.northonline.com.au/mynorth).

The information in this document is of a general nature only and is not based on your personal objectives, financial situation or needs. You should consider whether the information in this document is appropriate for you in accordance with your objectives, financial situation and needs. You should read the PDS and the other documents before making any decision about whether to acquire or continue to hold your account.

## Keeping track of changes to your PDS

Information in the PDS and the other documents may change from time to time. We may update information and if it is not materially adverse to you, we will then issue a PDS Update rather than contacting you directly. If an increase in fees occurs, we will give you at least 30 days' prior written notice, otherwise any notice of material changes will be provided as soon as practicable after the change is made.

## How to get a PDS update

- Visit [northonline.com.au](http://northonline.com.au)
- Contact the North Service Centre to request a paper copy of the PDS Update. Email [north@amp.com.au](mailto:north@amp.com.au) or 1800 667 841
- Ask your financial adviser.

## NM Super and other providers

NM Super is the Trustee of the Wealth Personal Superannuation and Pension Fund. We'll refer to NM Super in this PDS as **NM Super, Trustee, we or us**.

No other company in the AMP group of companies (AMP group) or any of the investment managers of the investment options:

- is responsible for any statements or representations made in this PDS; or
- guarantees the performance of NM Super's obligations to members nor assumes any liability to members in connection with MyNorth Super and Pension Guarantee, except as noted below.

The guarantee provided under the MyNorth Super and Pension Guarantee issued by NM Super is supported by an agreement with National Mutual Funds Management Ltd ABN 32 006 787 720 (NMFM) AFS License No. 234652 and an undertaking from AMP Group Holdings Limited ABN 88 079 804 676. Apart from the guarantee provided under MyNorth Super and Pension Guarantee as outlined in this PDS Part B, neither NM Super nor any other company in the AMP group, nor any of the investment managers of the investment options, guarantees the performance of the investment options or any particular rate of return. The repayment of capital is not guaranteed, unless expressly stated.

Except as expressly disclosed in the PDS or the MyNorth investment options document, investments in the investment options are not deposits or liabilities of NM Super, AMP Bank Limited ABN 15 081 596 009 AFS Licence No. 234 517 (AMP Bank), any other member of the AMP group or any of the investment managers. NM Super is not a bank. AMP Bank does not stand behind NM Super. The investment options are subject to investment risks, which could include delays in repayment and loss of income and capital invested.

AMP companies receive fees and charges in relation to MyNorth Super and Pension Guarantee outlined in the PDS. AMP employees and directors receive salaries and benefits from the AMP group.

We reserve the right to change the features of the MyNorth Super and Pension Guarantee PDS subject to the Trust Deed and regulatory requirements.

This offer is available only to persons receiving (including electronically) the PDS within Australia. We cannot accept cash or applications signed and mailed from outside Australia. Monies must always be paid in Australian dollars. We may accept or refuse (without reason) any application.

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.

## Definitions used throughout this PDS – Part B

| References to:   | To be read as:  |
|--|---|
| AMP Limited  | AMP Limited ABN 49 079 354 519, and its subsidiary companies including NMMT, NM Super, AMP GH and NMFM  |
| 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 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  | The insurance Product Disclosure Statement applicable to your nominated insurer.  |
| ‘Member’ or ‘you’  | A member of MyNorth Super and Pension, including any person you authorise to act on your behalf   |
| MyNorth, MyNorth Super and Pension, MyNorth Super, MyNorth Pension | MyNorth Super and Pension plans   |
| MyNorth Investment Options   | The full list of investment options available through MyNorth Super and Pension. Only select investment options are able to be made the subject of the MyNorth Super and Pension Guarantee. These are identified in this PDS and the MyNorth Investments Options document and may be updated from time to time. |
| NMFM   | National Mutual Funds Management Ltd ABN 32 006 787 720 AFS Licence No. 234652  |
| North, North Online  | <b>northonline.com.au</b>   |
| ‘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   |

## Important documents for you

Visit **northonline.com.au** to download a copy of the following documents.

You can also get free printed copies by contacting the North Service Centre at **north@amp.com.au** or on 1800 667 841.

### Make sure to read and keep copies of these documents

|   |   |
|---|---|
| <b>MyNorth Super and Pension PDS – Part A</b>                     | This document provides specific information regarding MyNorth Super and Pension.  |
| <b>MyNorth Super and Pension Guarantee PDS – Part B</b>           | This is the document you’re now reading – it provides specific information regarding the MyNorth Super and Pension Guarantee.   |
| <b>MyNorth Super and Pension – Additional information booklet</b> | This Additional information booklet summarises the key features and benefits of MyNorth Super and Pension.<br><br>Further information on topics summarised in your PDS - Part A is provided here.   |
| <b>MyNorth Investment Options</b>                                 | This document provides a list of investment options available through MyNorth Super and Pension.<br><br>You can obtain free of charge the PDS of the underlying investment option(s) by: <ul style="list-style-type: none"> <li>– visiting <a href="http://northonline.com.au">northonline.com.au</a></li> <li>– contacting the North Service Centre on 1800 667 841, or</li> <li>– visiting the Fund manager’s website.</li> </ul> |

### Other useful documents:

|                      |   |
|----------------------|---|
| <b>Insurance PDS</b> | This PDS explains the insurance benefits that are offered by each insurer, including: life insurance, total and permanent disability (TPD) insurance, and income insurance. |
|----------------------|---|

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# MyNorth Guarantees – the fundamentals

## How Guarantees work

The MyNorth Guarantees provide you with the ability to protect your retirement savings from falls in investment markets while allowing you to retain exposure to growth assets.

The MyNorth Guarantees can be applied to selected investment options available to MyNorth Super and Pension members and can be held alongside other non-guaranteed investments in your account.

You can apply a 5- or 10-year term guarantee to your investments. The 5-year term guarantee has an optional growth lock-in feature. An optional vesting feature is available with the 10-year term.

If your **investment value** is less than your **protected balance** at the end of your term, we will pay you the difference into your account. We'll explain all of this in detail throughout this document.

You're able to transition from super to pension, and pension to super, while retaining the guarantee.

When selecting either a 5 or 10-year term, take into consideration your investment time horizon – that is, how long do you think you'll need to invest before you need to withdraw funds for your retirement?

You should also consider the investment strategy of the investment option available with your preferred **term**.

These MyNorth Guarantees may not be appropriate for you if your investment horizon is less than five years for example, so it's a good idea to discuss this with your financial adviser and get a clear picture of where you want to go, and how you can best get there.

## Things you need to know

Under a 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 the 5-year guarantees and the 10-year guarantee without the **vesting** feature, your **investment value**. Your **investment value** is subject to ordinary market risk and does not include any **guarantee benefit**.
- In the case of a 10-year guarantee with **vesting**, your **available value**. Your **available value** is made up of your **investment value** and a portion of your **guarantee benefit** which varies depending on how far you are into your **term**.

→ See Terminating your guarantee before the end of the term section of this PDS for more information.

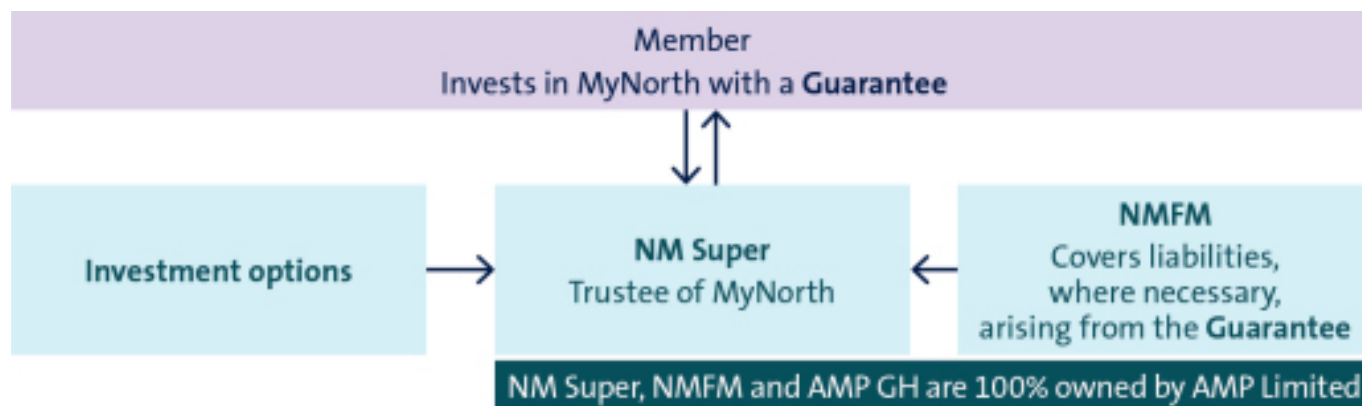
In addition to any investment held under the guarantee, you're expected to hold funds in your cash account to fund guarantee fees and any tax liabilities that may arise from the investment fund retaining its income.

## Who provides the Guarantees?

The MyNorth Guarantees are offered to you by NM Super. NM Super has entered into an arrangement with NMFM to manage NM Super's risk exposure in providing these Guarantees to you.

Where NM Super is required to pay an amount to a member under a guarantee in accordance with the terms of this PDS – Part B, AMP GH has provided an undertaking to NM Super that it will pay that amount to NM Super in circumstances where NMFM and NM Super are unable to make that payment.

NM Super, NMFM and AMP GH are part of the AMP Group.



## MyNorth Guarantee features at a glance

|      |          | Features                 |            |              |                |          |
|------|----------|--------------------------|------------|--------------|----------------|----------|
|      |          | Investment option        | Protection | Early access | Growth lock-in | Vesting  |
| Term | 5 years  | MyNorth Guardian Max 85  | ✓          | ✓            | Optional       | ✗        |
|      | 10 years | MyNorth Guardian Max 100 | ✓          | ✓            | ✓              | Optional |

|  |   |
|--|---|
| Minimum initial investment amount                        | \$20,000  |
| Minimum protected balance                                | \$20,000  |
| Maximum investment amount across all guarantees you hold | Investments over \$2 million need to be pre-approved. |

## Key features and terms used with guarantees

| Key term                   | Definition  |
|----------------------------|---|
| Available value            | <p>If you make a full or partial withdrawal of your <b>guaranteed investment</b>, the amount you are entitled to receive will be based on your <b>available value</b>. This is equal to your <b>investment value</b> plus potentially a portion of the <b>protected balance</b>.</p> <p>→ See the <b>Available value</b> section of this PDS for more information.</p>  |
| Early access               | <p>You will always have access to your <b>investment value</b> and may request to sell out of the <b>guaranteed investment</b> before the end of the guarantee <b>term</b>. Unless you have a 10-year guarantee with the <b>vesting</b> feature, if you make a full or partial withdrawal of your <b>guaranteed investment</b>, the amount you are entitled to receive will be your <b>investment value</b>.</p> <p>If you request <b>early access</b> for only part of your <b>guaranteed investment</b> you can retain the guarantee over the continuing portion, provided the minimum <b>protected balance</b> is maintained.</p> <p>A proportional reduction in your <b>protected balance</b> applies to any <b>early access</b> of the <b>guaranteed investment</b>. That means that any money you access early will reduce your <b>protected balance</b> and the reduction is based on the percentage of the <b>available value</b> that is withdrawn.</p> <p>Any money you access early will not receive the full benefit of the guarantee.</p> <p>→ See the <b>Early access</b> section of this PDS for more information.</p> |
| Growth lock-in             | <p>The growth lock-in feature allows you to increase your <b>protected balance</b> by annually locking in growth in your <b>investment value</b> as a result of positive investment performance if your <b>investment value</b> (on the <b>guarantee anniversary date</b>) is greater than your <b>protected balance</b>.</p> <p>The full value of your <b>protected balance</b> is only available at the end of the applicable <b>term</b>. Your growth lock-in is calculated on your <b>guarantee anniversary date</b> using the latest available unit price, which will be from a previous date. See definition of <b>investment value</b> below.</p> <p>This feature applies to your guarantee if you have a 10-year term, or if you have a 5-year term and elected to purchase the optional <b>growth lock-in</b> feature.</p>   |
| Guarantee anniversary date | <p>The annual anniversary of your <b>guarantee start date</b>.</p> <p>For guarantees with <b>growth lock-in</b>, this will be the date used to review your <b>protected balance</b> and lock in any growth in your <b>investment value</b> as a result of positive investment performance in the preceding year.</p>  |
| Guarantee benefit          | <p>At the end of your <b>term</b> (known as the maturity of your <b>term</b>), if your <b>protected balance</b> is greater than your <b>investment value</b> (using the latest available unit price for the Guaranteed investment on the date of maturity), the difference between the two amounts is paid to your cash account. This payment is known as the <b>guarantee benefit</b>.</p> <p>If you hold a guarantee with <b>vesting</b>, you may receive a portion of your <b>protected balance</b> upon <b>early access</b> or early termination of the guarantee. This will be paid to you as a <b>guarantee benefit</b> payment to your cash account.</p>   |
| Guaranteed investment      | <p>The units you hold (often termed 'your holding') in the investment option covered by the guarantee.</p> <p>The investment options made available with a guarantee under this PDS are:</p> <ul style="list-style-type: none"> <li>– MyNorth Guardian Max 85 with a 5-year term.</li> <li>– MyNorth Guardian Max 100 with a 10-year term.</li> </ul> <p>The MyNorth Guardian investment options PDS is available free of charge by visiting <a href="http://northonline.com.au">northonline.com.au</a>.</p>  |
| Guarantee start date       | The date of commencement of your guarantee.   |
| Initial investment         | The amount invested into the <b>guaranteed investment</b> at the start of the guarantee.  |
| Investment value           | <p>This is the market value of the <b>guaranteed investment</b>. Your investment value on any particular calendar date (such as the maturity date) is the most recent ascertainable value of the guaranteed investment on that actual calendar date.</p> <p>→ See the <b>Investment value</b> section of this PDS for more information.</p>   |
| Protected balance          | <p>The <b>protected balance</b> is your guaranteed amount and is calculated based on the terms set out in this PDS.</p> <p>You are guaranteed to receive your <b>protected balance</b>, subject to you remaining in the guarantee at the end of your <b>term</b>.</p>   |
| Protection                 | This feature provides you with the ability to protect your <b>initial investment</b> from market falls. The amount protected is known as your <b>protected balance</b> .  |
| Term                       | <p>The <b>term</b> is the length of time you must hold the guarantee to receive its full value. This is either 5 or 10 years, depending on your selected guarantee.</p> <p>→ See the <b>Terms</b> section of this PDS for more information.</p>   |

| Key term         | Definition   |
|------------------|--|
| Vesting          | <p>The <b>vesting</b> feature entitles you to receive a portion of your <b>protected balance</b> upon <b>early access</b> or early termination of the guarantee.</p> <p>If you hold a guarantee with <b>vesting</b> and the <b>protected balance</b> is higher than the <b>investment value</b> at the date of <b>early access</b> or termination, then a portion of the difference is payable. The amount payable is calculated based on the <b>vesting schedule</b>.</p> <p><b>Vesting</b> is only available to purchase as an optional feature on the 10-year guarantee.</p>  |
| Vesting schedule | <p>The <b>vesting schedule</b> only applies to guarantees with the <b>vesting</b> feature. It shows, in percentages, the difference between the <b>protected balance</b> and your <b>investment value</b> that you're entitled to receive upon <b>early access</b> or early termination of the Guarantee.</p> <p>The vested percentage increases with each whole year completed in the <b>term</b>, on each <b>Guarantee anniversary date</b>. The <b>vesting schedule</b> is set so that 100% of the <b>protected balance</b> is available at the end of the <b>term</b>.</p> <p>→ See the <b>Vesting schedule</b> section of this PDS for more information</p> |

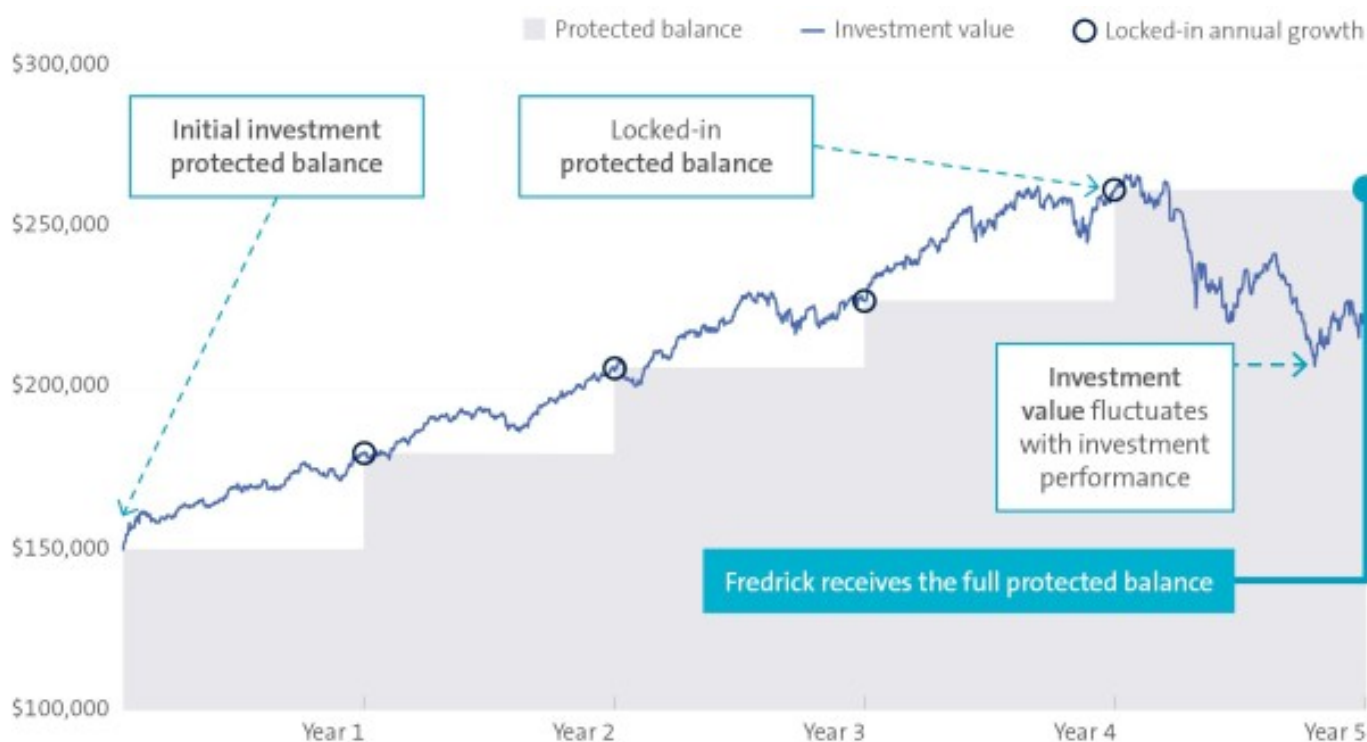
## Examples of how the MyNorth Guarantee works

The following are hypothetical examples that illustrate the main features of the MyNorth Guarantee.

### 5-year Guarantee with optional growth lock-in feature

An example: Fredrick has invested \$150,000 in the 5-year guarantee with the optional **growth lock-in** feature. The following is a hypothetical example of how his fund might perform over the **term** of his guarantee.

#### Protected balance and investment value



#### Things you need to know

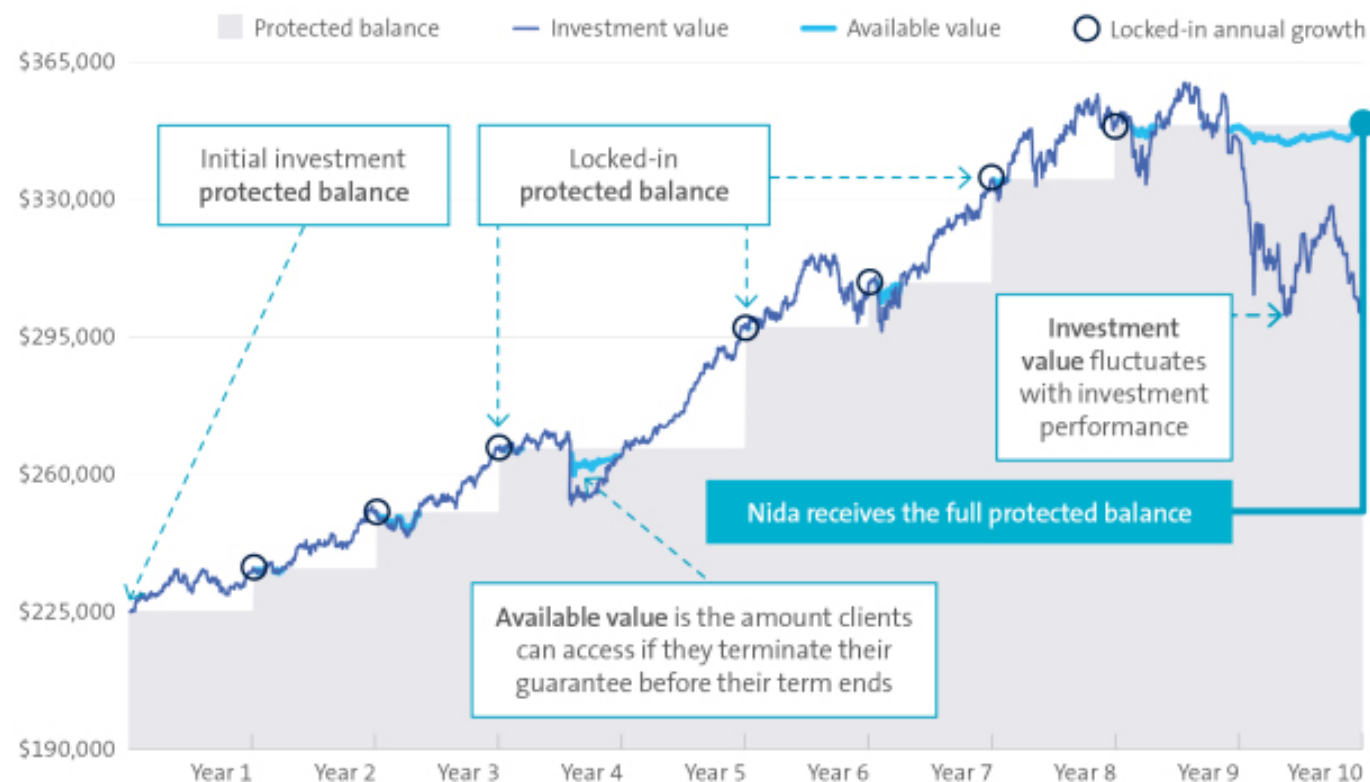
This illustration does not account for the guarantee fees or tax liabilities attributed from the **guaranteed investment** over the life of the guarantee. The guarantee fee for the 5-year guarantee with **growth lock-in** feature is 1.95%pa, based on the **protected balance** and deducted from your cash account.

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

### 10-year Guarantee with vesting feature

For example: Nida has invested \$225,000 in the 10-year guarantee with the optional **vesting** feature. The following is a hypothetical example of how his fund might perform over the **term** of his guarantee.

#### Protected balance and investment value



#### Things you need to know

This illustration does not account for the guarantee fees or tax liabilities attributed from the **guaranteed investment** over the life of the guarantee. The guarantee fee for the 10-year guarantee with vesting feature is 1.85%pa, based on the **protected balance** and deducted from your cash account.

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

### The protected balance

The 5-year Guarantee without the **growth lock-in** feature guarantees to return, at the end of the **term**, your **initial investment**, less any sells out of the fund.

The 10-year Guarantee and 5-year Guarantee with the **growth lock-in** feature guarantees to:

- lock in any growth as a result of positive investment performance on your **investment value**, provided that your **investment value** at the **Guarantee anniversary date** is greater than your **protected balance**; and
- return, by the end of the **term**, your **initial investment**, less any sells out of the **guaranteed investment**.

The guaranteed amount is known as your **protected balance**. It is used to calculate the **guarantee benefit** that may be payable to you at the end of the **term**, in addition to you continuing to hold your investment (no longer guaranteed) in the investment option. Any sells out of the **guaranteed investment** you make during the **term** will reduce your **protected balance**.

Your **protected balance** is equal to your **initial investment** at the commencement of your guarantee.

Your **protected balance** will be recalculated each time a sell of the **guaranteed investment** occurs and, if you have a **growth lock-in**, at each **guarantee anniversary date**.



See Early access – sells out of your guaranteed investment section of this PDS for more information.

### 5-year Guarantee without growth lock-in feature

$$\text{Protected balance} = \text{Initial investment} - \text{Sells out of the guaranteed investment}^*$$

\* Sells out of the guaranteed investment will reduce the protected balance on a proportionate basis at the time of the sale.

### 10-year Guarantee and 5 year Guarantee with optional growth lock-in feature

$$\text{Protected balance} = \text{Initial investment} + \text{Growth lock-in} - \text{Sells out of the guaranteed investment}^*$$

\* Sells out of the guaranteed investment will reduce the protected balance on a proportionate basis at the time of the sale.

### Will your protected balance decrease over time?

Will your protected balance decrease over time?



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

- negative market performance on your investments
- investment management fees on the **guaranteed investment**.

Your **protected balance** will decrease as a result of any sells out of the **guaranteed investment** you make during the **term**. See the **Early access** section of this PDS for further information.

### Your available value

The guarantee is intended to be held until the end of the **term** in order to obtain the full value from it.

If you request **early access** of your **guaranteed investment** or early termination of the guarantee before your **term** is complete, you'll have access to your **available value**. Your **available value** is always at least equal to your **investment value**, plus potentially a portion of your **protected balance**.

#### For Guarantees without vesting

Your **available value** will always equal your **investment value**.

#### For Guarantees with vesting

If your **investment value** is less than your **protected balance**, your **available value** will include a portion of your **protected balance**. At any other time, your **available value** will be equal to your **investment value**.

The **available value** is calculated using a **vesting schedule** (see the **Vesting schedule** section of this document for more on how that works) and is calculated in one of two ways:

#### 1. If the protected balance is greater than the investment value:

Your **available value** is your **investment value** plus the difference between your **investment value** and **protected balance**, multiplied by the relevant vested percentage that is specified in the **vesting schedule**. The vested percentage increases with each year that has elapsed during your **term** (see **Vested schedule**, below).

$$\text{Available value} = \left[ \begin{array}{c} \text{Investment value} \\ + \\ (\text{Protected balance} - \text{Investment value}) \\ \times \\ \text{Vested percentage} \end{array} \right]$$

#### 2. If the protected balance is equal to or less than your investment value:

In this circumstance, your **available value** equals your **investment value**.

#### Case study 1

##### Calculating the available value

Michael commences a MyNorth Super plan and invests \$200,000 in the MyNorth Guardian Max 100 fund with 10-year Guarantee with **vesting**. As it is a 10-year term, the guarantee has a **growth lock-in** feature. After seven years, Michael wants to withdraw his entire balance in the investment which terminates the Guarantee. Michael's investment has the following values:

Initial investment = \$200,000

Investment value = \$287,000

Protected balance = \$322,000

Available value = \$311,500<sup>1</sup>

1 The **investment value** plus 70% of the difference between the **protected balance** and the **investment value**, in accordance with the **vesting schedule** (7 years of a 10-year term have elapsed)  $\$287,000 + [(\$322,000 - \$287,000) \times 0.70] = \$311,500$ .



## Your investment value

Your **investment value** is the current market value of your holdings in the **guaranteed investment**. Your investment value on any particular calendar date (such as the maturity date) is the most recent ascertainable value of the **guaranteed investment** taken on that actual calendar date. Your **investment value** is subject to market risk, meaning it may rise or fall depending on the performance of the investment market.

If you cease the Guarantee prior to the completion of your **term**, the **investment value** is the amount you will receive, unless you have a 10 year term and selected the **vesting** feature.

Your **investment value** will increase as a result of:

- positive market performance of the investment option
- income attributed to the fund

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

- negative market performance of the fund; or
- underlying fees and costs of the fund, including:
  - management costs,
  - transactional and operational costs, and
  - buy/sell costs.

For further information on these fees and costs refer to the fees and other costs section of the MyNorth Guardian Investment Options PDS.

Whilst guarantee fees and any tax liabilities that may arise from the income attributed (and distributed for tax purposes even though retained in the fund) will not reduce the **investment value**, they are deducted from your cash account and will reduce your cash account balance.

## The Vesting schedule

The **vesting schedule** sets what your vested percentage is. Your vested percentage increases with each whole year completed in your **term** on each **guarantee anniversary date** and is fixed for the following 12 months.

Your vested percentage begins to increase at the end of the first year of the **term**, then increases at the end of each following year.

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

The **available value** is calculated by applying the vested percentage associated with your **term**.

The following table illustrates the vesting schedule for the 10 year Guarantee with **vesting**:

| Whole year completed | Vested percentage (%) |
|----------------------|-----------------------|
| 1                    | 10                    |
| 2                    | 20                    |
| 3                    | 30                    |
| 4                    | 40                    |
| 5                    | 50                    |
| 6                    | 60                    |
| 7                    | 70                    |
| 8                    | 80                    |
| 9                    | 90                    |
| 10                   | 100                   |

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

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

## Investment options available with the MyNorth Guarantee

The MyNorth Guarantees can be applied to selected investment options available through MyNorth Super and Pension. The investment options available are:

- MyNorth Guardian Max 85 (IPA0167AU), for guarantees with a 5-year term, and
- MyNorth Guardian Max 100 (IPA0168AU), for guarantees with a 10-year term.

These investment options are issued by ipac Asset Management Limited (ABN 22 003 257 225, AFSL 234655). As at the date of this PDS, the following is an extract of the MyNorth Guardian Investment Options PDS which details the investment objective, strategy and asset allocations of the investment options. It is important that you understand the investment objectives and strategy of the investment option you will be selecting if you purchase a guarantee.

| MyNorth Guardian Investment Options   | MyNorth Guardian Max 85  | MyNorth Guardian Max 100   |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
|---------------------------------------|--|--|-------------------|-------------------|---------|-------------------------------------|-------------------------|---------|----------------------------|------|--------|--------|---------|-----------|---------|--|-------------|-------------------|-------------------|----------|---------------------------------------|-------------------------|--------|----------------------------|------|--------|--------|----------|-----------|--------|
| Investment objective <sup>(i)</sup>   | To provide moderate growth in your investment over the medium to long term with moderate fluctuations in value likely while managing the level of short-term fluctuations.   | To provide moderate to high growth in your investment over the medium to long term with moderate to high fluctuations in value likely while managing the level of short-term fluctuations.   |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Investment strategy <sup>(i)</sup>    | <p>To invest in a diversified mix of growth and defensive assets while changing exposure to growth and defensive assets based on estimated short-term volatility.</p> <p>Investments within each asset class will be made on a passive basis through one or a combination of:</p> <ul style="list-style-type: none"><li>– direct investments in the relevant assets</li><li>– one or more managed funds (including index funds), or</li><li>– derivatives that provide exposure to the relevant index.</li></ul> | <p>To invest in a diversified mix of predominantly growth assets while changing exposure to growth assets and defensive assets based on estimates of short term volatility.</p> <p>Investments within each asset class will be made on a passive basis through one or a combination of:</p> <ul style="list-style-type: none"><li>– direct investments in the relevant assets</li><li>– one or more managed funds (including index funds), or</li><li>– derivatives that provide exposure to the relevant index.</li></ul> |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Asset allocation <sup>(iii)</sup>     | <table><tr><th>Asset class</th><th>Strategic range %</th></tr><tr><td>Australian shares</td><td rowspan="2">11 - 85</td></tr><tr><td>International shares<sup>(i)</sup></td></tr><tr><td>Australian fixed income</td><td rowspan="2">10 - 37</td></tr><tr><td>International fixed income</td></tr><tr><td>Cash</td><td>0 - 79</td></tr><tr><td>Growth</td><td>50 - 90</td></tr><tr><td>Defensive</td><td>10 - 50</td></tr></table>   | Asset class  | Strategic range % | Australian shares | 11 - 85 | International shares <sup>(i)</sup> | Australian fixed income | 10 - 37 | International fixed income | Cash | 0 - 79 | Growth | 50 - 90 | Defensive | 10 - 50 | <table><tr><th>Asset class</th><th>Strategic range %</th></tr><tr><td>Australian shares</td><td rowspan="2">14 - 100</td></tr><tr><td>International Shares<sup>(iii)</sup></td></tr><tr><td>Australian fixed income</td><td rowspan="2">0 - 24</td></tr><tr><td>International fixed income</td></tr><tr><td>Cash</td><td>0 - 86</td></tr><tr><td>Growth</td><td>65 - 100</td></tr><tr><td>Defensive</td><td>0 - 35</td></tr></table> | Asset class | Strategic range % | Australian shares | 14 - 100 | International Shares <sup>(iii)</sup> | Australian fixed income | 0 - 24 | International fixed income | Cash | 0 - 86 | Growth | 65 - 100 | Defensive | 0 - 35 |
| Asset class                           | Strategic range %  |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Australian shares                     | 11 - 85  |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| International shares <sup>(i)</sup>   |  |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Australian fixed income               | 10 - 37  |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| International fixed income            |  |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Cash                                  | 0 - 79   |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Growth                                | 50 - 90  |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Defensive                             | 10 - 50  |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Asset class                           | Strategic range %  |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Australian shares                     | 14 - 100   |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| International Shares <sup>(iii)</sup> |  |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Australian fixed income               | 0 - 24   |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| International fixed income            |  |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Cash                                  | 0 - 86   |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Growth                                | 65 - 100   |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |
| Defensive                             | 0 - 35   |  |                   |                   |         |                                     |                         |         |                            |      |        |        |         |           |         |  |             |                   |                   |          |                                       |                         |        |                            |      |        |        |          |           |        |

(i) ipac Asset Management may change the Investment Option's investment objective or investment strategy from time to time, if they consider it to be in the best interests of investors. If they do so, they will advise investors.

(ii) The Portfolio Manager aims to manage asset allocations within the asset allocation ranges. However, in certain circumstances, the Portfolio Manager may manage actual allocations outside of the asset allocation ranges. Such circumstances may include but are not limited to where one of the Investment Options or underlying funds is closed for new applications or withdrawals, during changes to the product structure, asset allocation or manager line-up, or in certain market conditions. The Portfolio Manager will not deviate outside the asset allocation ranges to pursue investment opportunities based on short-term expectations.

(iii) May include an allocation to emerging markets.

The MyNorth Guardian funds will not pay cash distributions, any earnings from the fund will be attributed to unit holders and reflected in the unit price.

You should read the MyNorth Guardian Investment Options PDS before deciding whether to invest in any of the MyNorth Guardian funds. You can obtain a copy of the MyNorth Guardian Investment Options PDS free of charge by:

- visiting [northonline.com.au](http://northonline.com.au)
- contacting the North Service Centre on 1800 667 841, or
- visiting the Fund manager's website.

You cannot change your **term**, or the investment held within the guarantee, once you've commenced your guarantee. We may change the investment options available with the MyNorth Guarantees

→ See **Closing an investment option with a guarantee** section of this PDS for more information.

### Closing an investment option with a guarantee

A fund manager may notify us that it is closing an investment option, or we may direct NMMT to remove an investment option over which we have provided the guarantees. Further, we may decide to cease to provide a guarantee over an investment option, including during the **term** of an existing guarantee.

Should an investment option which is subject to existing guarantees be hard closed (requiring existing units to be sold), we will normally select one or more alternate investment options which will be substituted for the original **guaranteed investment** fund. In such cases, your investment will be switched to the alternate investment option and the guarantee will continue. We will use the unit prices of the original and new fund to determine the number of units acquired and will continue to apply the **protected balance**.

The trustee will strive to select one or more alternate investment options which have similar underlying investments, investment strategy and fees. Where we are making more than one alternate fund available, where possible, we will provide you with at least 30 days prior notice and give you the opportunity to select the alternate investment option to which the guarantee will apply.

Where we can't provide you with at least 30 days prior notice, we'll provide you with notice as soon as practicable.

Where we can't provide you with adequate notice or where we haven't received alternate investment instructions from you, we will transfer the investment in the **guaranteed investment** to an alternate investment option selected by us and continue to apply the original guarantee to that investment option.

→ For more information about investment option closures, please refer to the 'Removing or closing investment options' section of the MyNorth Super and Pension PDS – Part A.

# Setting up and managing Guarantees

## Your investment instructions and the guarantee

The MyNorth Guarantee can be held alongside all other investments available with MyNorth Super and Pension. Any investment options held outside of your guarantee will not be protected by the guarantee. As explained in the **PDS - Part A**, you must nominate investment instructions on your MyNorth Super and Pension account. Your investment instructions allow us to manage your cash account by investing contributions into your selected investment options and selling units in selected investment options to increase the cash account to allow for payments that are made from the cash account, such as your guarantee fees and product fees.

Where you have a guarantee, in whole or part, over an investment option, you cannot include it in your automatic buy, sell or rebalance profiles. The investment option also cannot be included in one-off rebalance instructions. The investment option can only be sold via a switch transaction or full withdrawal request.

Once your guarantee has matured, or you terminate it early, and you no longer have any holdings in the investment option guaranteed, these investment restrictions will no longer apply.

With your consent, your adviser can alter your investment instructions at any time via North Online.

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

## Commencing a Guarantee on a new account

When selecting to guarantee an investment option as part of your new account application, you must specify the amount to be invested in a **guaranteed investment**, the **term** of the guarantee as part of your application. You can also elect to take up the relevant optional guarantee features available for your chosen **term**.

Once all investments have been received into your new account and those amounts have satisfied the specified Guarantee amount, we'll purchase units in the relevant investment option for your chosen Guarantee.

The **protected balance** and the **guarantee start date** will be confirmed once we've received confirmation of the purchase of the units in the **guaranteed investment** option. The **guarantee start date** will be the date that the units in the investment option were purchased, as confirmed by the fund manager.

## Commencing a Guarantee on an existing account

You can choose to guarantee an eligible investment option as part of an existing MyNorth Super and Pension account at any time, if you meet all the terms and conditions outlined in this document.

If you don't currently hold units in the investment option available with your chosen guarantee **term**, you will need to specify the amount to be invested into the investment option as part of your request to add the guarantee. We'll then purchase units in the investment option and commence the guarantee.

The **protected balance** and the **guarantee start date** will be confirmed once we've received confirmation of the purchase of the units into the investment option. The **guarantee start date** will be the date that the units in the investment option were purchased, as confirmed by the fund manager.

If you already hold the investment option available with your chosen guarantee **term**, you may add a guarantee over this existing holding. In this case, we'll use the unit price that is in effect for the date we add the guarantee (or the next business day if this is done on a weekend or public holiday) to determine your **initial investment** amount. The **guarantee start date** will also be the date we add the guarantee.

When adding a guarantee to an existing holding in the investment option, all units must be guaranteed. You will not be able to add a guarantee to only a part of your current holdings.

## Additional buys into the fund

Additional buys into the **guaranteed investment** are not able to be added to the guarantee once your guarantee has started. You may, however, commence another guarantee, subject to the terms and conditions of the new guarantee being met.

There's no limit to the number of guarantees you can hold in your account at one time.

## Early access – sells out of your guaranteed investment

You'll always have access to your **investment value**, and you can request to sell part of your investment in the **guaranteed investment** whilst retaining the guarantee over the remaining holding, provided you maintain the minimum **protected balance**.

If your required sell amount would result in your **protected balance** falling below the minimum **protected balance**, you'll need to terminate your guarantee to proceed with your sell out of the **guaranteed investment**. To estimate whether the minimum **protected balance** will be maintained, we'll use the latest available unit price we have for the **guaranteed investment** at the time of your request.

Due to unit price fluctuations, your new **protected balance** may fall below the minimum **protected balance** once your sell request has been confirmed. Your guarantee will not be automatically terminated in this case.

We will not act on a request to fully sell down the **guaranteed investment** without an accompanying request to terminate the guarantee.

All **early access** of your **guaranteed investment** will result in a proportional reduction in your **protected balance**. The **protected balance** and the **available value** are reduced by the same proportion as the reduction in **investment value**.

Unless you have a 10 year guarantee with the **vesting** feature, you will not receive any benefit from the guarantee at the time of **early access** of the **guaranteed investment**. That is, you will receive only the value of the units sold into your cash account.

When accessing part of your guaranteed investment early, any **guarantee benefit** applicable will be paid to your cash account on top of the amount being sold out of the guaranteed investment. You will therefore receive the proceeds from the sale as usual, with the **guarantee benefit** as an additional payment into your cash account once the sell out of the guaranteed investment has confirmed.

### Example

Michelle invests \$110,000 into the MyNorth Guardian Max 85 fund with a 5 year guarantee. After two years the guarantee has the following values:

Investment value = \$100,000

Protected balance = \$110,000

Available value = \$100,000

In the third year Michelle unexpectedly needs to withdraw \$20,000 for some unforeseen expenses. The calculations of the guarantee values are as follows:

\$20,000 is a 20% reduction of the **investment value** ( $\$20,000 \div \$100,000 = 0.2000$ ).

The **investment value** is reduced dollar-for-dollar.

The **available value** and **protected balance** are reduced proportionately by 20%.

**Investment value**  $(\$100,000 - \$20,000) = \$80,000$

**Protected balance**  $(\$110,000 - [\$110,000 \times 0.2000]) = \$88,000$

**Available value**  $\$100,000 - (\$100,000 \times 0.2000) = \$80,000$

Each value is affected differently as summarised below:

|                       | Investment value (\$) | Protected Balance (\$) | Available Value (\$) |
|-----------------------|-----------------------|------------------------|----------------------|
| <b>Starting value</b> | 100,000               | 110,000                | 100,000              |
| <b>End value</b>      | 80,000                | 88,000                 | 80,000               |
| <b>Reduction</b>      | 20,000                | 22,000                 | 20,000               |

## The 90-day rule

If you sell out of a **guaranteed investment** prior to the end of the **term** (the maturity date), in whole or in part, you will not be able to apply for a guarantee over any investment option in any MyNorth Super, MyNorth Pension and MyNorth Investment account held by you for 90 days. We reserve the right to waive or extend this 90 day period at any time. We also reserve the right to terminate a guarantee where we believe a guarantee is applied to a MyNorth account funded in whole or in part with funds that have been protected by a guarantee in the previous 90 days.

## Maturity of the Guarantee

At the end of your **term** (also known as the date of maturity), if your **protected balance** is greater than your **investment value**, the difference between these two amounts will be paid to your cash account as a **guarantee benefit** payment.

When this happens, you'll have the option to:

- continue to hold in the investment and commence an additional guarantee;
- continue to hold in the investment without a Guarantee; or
- switch to another investment option within the MyNorth Super and Pension plan.

Once the guarantee matures your holdings in the investment will continue without a guarantee and be subject to the usual market and investment risks that apply to the investment.

Please note your ability to continue to hold the investment after the end of the guarantee may be subject to advice from your financial adviser and may be subject to limitations about whether your financial adviser has the investment (without a guarantee) on the list of investments they're authorised to advise you to hold.

## Terminating your guarantee before the end of term

You can elect to terminate your guarantee at any time.

If you do, you can:

- remain invested in the investment option without the guarantee; or
- sell your total holdings in the investment option.

When you terminate your guarantee or make a full withdrawal from your account, the total amount you are entitled to is your **available value**.

All guarantee fees will cease on the date we process your request to terminate your guarantee.

To calculate your final **investment value** and **available value** we will use the latest available sell price, as declared by the fund manager, for the **guaranteed investment** as at the date of termination.

If you elect to terminate the guarantee and remain invested in the previously **guaranteed investment**, the following in relation to the terminated guarantee will apply:

- you will no longer be charged the guarantee fee;

- you will no longer have a **protected balance** or an **available value**; and
- the investment instruction restrictions applicable to the investment option that was guaranteed may no longer apply.

You can't apply for a guarantee if you have terminated a guarantee in the previous 90 days.  
This restriction doesn't apply if you have reached the end of your **term**.



See **The 90-day rule** section of this PDS for more information.

### What happens to your guarantee if you die?

On the death of the member, the guarantee will continue until the earlier of:

- the finalisation and payment of a death benefit payment.
- the date we receive investment instructions to terminate from the valid beneficiary/ies, as determined by the Trustee; or
- the date the guarantee completes its **term**.

If the guarantee **term** has not completed when payments are due to be made to beneficiaries, the guarantee will be terminated and the amount payable will be calculated under the terms applying to terminations before maturity. That is, the benefit of the guarantee may not be realised.

If the guarantee term completes before the Trustee has determined valid beneficiaries, the investment will be sold on maturity and the proceeds of that sale will be paid into the cash account. Any applicable **guarantee benefit** will also be paid into the cash account.

If you hold a MyNorth Pension account and have nominated a reversionary, your pension and the guarantee/s will continue with your nominated reversionary in accordance with your current pension arrangements. A reversionary is a person (usually a spouse) that you've nominated to automatically continue to receive your pension after your death.

If you hold a Lifetime Income or Deferred Lifetime Income account and have not opted into the Death and Exit Benefit, a benefit will not be payable on your death.

It's important to note that unless the **term** of the **guarantee** is completed, the full value of the **guarantee** won't be realised.



Please refer to the **Terminating your guarantee before the end of the term** section of this PDS for more information about early termination of your **guarantee**.

### Other instances where a guarantee may be terminated

A MyNorth guarantee will terminate immediately for any MyNorth Super and Pension member who takes up a guarantee if the member:

- has insufficient assets to fund any fee for which they are liable to pay NM Super under the PDS, as and when they are due and payable for whatever reason;
- fails to meet any of their obligations or the terms and conditions under the PDS;
- ends their investment in the investment option which is subject to the guarantee, for example by switching out of the investment option or withdrawing the full account value;
- instructs us to cease a guarantee
- is using the product in a manner deemed to be inappropriate as determined by us, taking into account the rules set out in the PDS.

When a member dies, the guarantee will continue until the earlier of:

- the finalisation and payment of a death benefit payment.
- the date we receive investment instructions to terminate from the valid beneficiary/ies, as determined by the Trustee; or
- the date the guarantee completes its **term**.

The guarantee may be terminated if we decide to terminate it in the best interests of the member.

Note the investment option subject to guarantee can change, but the guarantee otherwise continues to apply.



## Guarantees and tax

You're expected to hold funds in your cash account to fund any tax liabilities that may arise from the income attributed from the **guaranteed investment** throughout the term of your guarantee.

The comments regarding tax that follow are for informational purposes only and are based on our interpretation of Australian taxation laws and administrative practices at the date of publication of this document.

You should seek professional taxation advice before making an investment decision.

The taxation information we've provided here in this PDS should be read in conjunction with the taxation information found in the **Additional Information booklet**.

→ We'll send you a copy of this information free of charge, on request. To request a copy, please contact North at [north@amp.com.au](mailto:north@amp.com.au) or on 1800 667 841.

If you select a Guarantee, the following tax rules should apply in relation to your account:

- A tax deduction cannot be claimed on the guarantee fee. Your MyNorth Guarantee is an asset for capital gains tax (CGT) purposes. Guarantee fees that have been paid are added to the cost base in this asset. A capital gain may arise if Guarantee payments received exceed Guarantee fees paid. Conversely, a capital loss may arise if Guarantee fees paid exceed Guarantee payments received.
- A CGT event may arise when any of the following occurs:
  - early termination of the Guarantee;
  - the Guarantee lapses; or
  - you withdraw some or all of your fund value.
- Any payments that your account receives in relation to a Guarantee are considered to be sales proceeds in relation to the asset.
- A capital gain realised in relation to the Guarantee may be eligible for the CGT discount of a 1/3rd rate.

## Guarantee fees and charges

Below we'll set out the additional fees that you will be charged for selecting a guarantee.

The total fees and costs you pay will include the fees of the MyNorth Super and Pension product, including the guarantee fee, as well as the underlying fees and costs of the investment option that is subject to the guarantee (the **guaranteed investment**).

It's very important that you also understand the fees and costs of the investment option, and that those fees and costs will be in addition to the fees we charge.



For detailed information about the underlying fees and costs of the investment options available under the guarantee, refer to the MyNorth Guardian Investment Options PDS available on **North Online**.

You should read all of the information about fees and other costs so that you fully understand their impact on your investment.



Fees and costs for the MyNorth Super and Pension product are set out in the MyNorth Super and Pension PDS - Part A.

### How the Guarantee fee is calculated

| Type of fee or cost           |             | Amount                                  |              | How and when paid                 |  |
|-------------------------------|-------------|---|--------------|-----------------------------------|--|
| Ongoing annual fees and costs |             |   |              |                                   |  |
| Guarantee fee                 | 5 year term | 5 year term with growth lock-in feature | 10 year term | 10 year term with vesting feature | The ongoing guarantee fee is calculated and deducted from your cash account monthly, commencing one month from the date your guarantee commenced.<br><br>It's based on the opening <b>protected balance</b> on the day the monthly fee is applied. |
|                               | 1.25% pa    | 1.95% pa                                | 1.45% pa     | 1.85% pa                          |  |

The guarantee fee is deducted from your cash account.

If you terminate the guarantee or sell all your holding in the **guaranteed investment** 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 increase to the guarantee fee at least 30 days before it occurs.

#### How the guarantee fee is paid

The guarantee fee will not reduce your **protected balance** or **investment value**.

This fee is deducted from your cash account, which is held outside of the guarantee.

## Examples of the total annual fees and costs

The following examples illustrate how the cumulative effect of the fees and costs of the MyNorth Super and Pension product with the guarantee, can affect your superannuation investment over a one-year period.

The actual fees and costs that you'll be charged will depend on your total **investment value**, **term** and additional features for your guarantee, and the transactions you carry out.

| Example - 5 year guarantee                     |                 | Balance of \$50,000<br>With the total balance in the Guarantee  |
|--|-----------------|---|
| Administration fees and costs <sup>(i)</sup>   | 0.62% plus \$91 | For every \$50,000 you have in the superannuation product, you will be charged <b>\$401.00</b> each year.         |
| <b>Plus</b> Guarantee fees <sup>(ii)</sup>     | 1.25%           | <b>And</b> , you will be charged guarantee fees of <b>\$625.00</b> each year.                                     |
| <b>Plus</b> Investment fees and costs          | Nil             | <b>And</b> , other costs of <b>\$0.00</b> each year will be deducted from your investment.                        |
| <b>Equals</b> Cost of product <sup>(iii)</sup> |                 | If your balance was \$50,000, then for that year you would be charged total fees and costs of <b>\$1,062.00</b> . |

- (i) This amount comprises the Choice administration fee. Refer to **PDS - Part A** for information.
- (ii) Based on a 5 year guarantee without **growth lock-in** invested in the MyNorth Guardian Max 85 fund.
- (iii) Additional fees and costs may apply, including member advice fees as agreed with your financial adviser. Refer to the **PDS - Part A** for more information. This example assumes the **investment value** and **protected balance** are the same. The guarantee fee will vary based on the **protected balance**, and all other fees are based on the **investment value**.

| Example - 10 year guarantee                    |                 | Balance of \$50,000<br>With the total balance in the Guarantee  |
|--|-----------------|---|
| Administration fees and costs <sup>(i)</sup>   | 0.62% plus \$91 | For every \$50,000 you have in the superannuation product, you will be charged <b>\$401.00</b> each year.         |
| <b>Plus</b> Guarantee fees <sup>(ii)</sup>     | 1.45%           | <b>And</b> , you will be charged guarantee fees of <b>\$725.00</b> each year.                                     |
| <b>Plus</b> Investment fees and costs          | Nil             | <b>And</b> , other costs of <b>\$0.00</b> each year will be deducted from your investment.                        |
| <b>Equals</b> Cost of product <sup>(iii)</sup> |                 | If your balance was \$50,000, then for that year you would be charged total fees and costs of <b>\$1,126.00</b> . |

- (i) This amount comprises the Choice administration fee. Refer to **PDS - Part A** for information.
- (ii) Based on a 10 year guarantee without **vesting** invested in the MyNorth Guardian Max 100 fund.
- (iii) Additional fees and costs may apply, including member advice fees as agreed with your financial adviser. Refer to the **PDS - Part A** for more information. This example assumes the **investment value** and **protected balance** are the same. The guarantee fee will vary based on the **protected balance**, and all other fees are based on the **investment value**.

**Note:** The fees and costs we charge relate to MyNorth Super and Pension and access to the underlying investment options via the Core, Select or Choice investment menus, only. They do not include the fees and costs that relate to investing in those underlying investment options. Additional fees and costs will be charged by the issuers of the underlying investments that you choose to invest in through MyNorth Super and Pension. Refer to the PDSs of those underlying investment options for further information.

→ For more information on these fees and costs, refer to the Fees and other costs section of MyNorth Super and Pension PDS – Part A.  
Tax may apply to your investment, for more information on any tax that may apply, please see the Guarantees and tax section of this PDS.

# Risks associated with investing with a Guarantee

As with any investment, there are a number of risks to consider. We've outlined the significant risks associated with Guarantees below.

→ We recommend that you read the following along with the other risks discussed in your PDS – Part A document.

## Inflation risk

Over time, the purchasing power of your money is reduced through inflation.

There is a risk that your **investment value** may not keep pace with inflation, reducing the purchasing power of your **protected balance** at the conclusion of your **term**.

## Counterparty risks

Counterparty risk is the likelihood or probability that both NM Super and AMP GH default on their contractual obligation to holders of the Guarantee.

We've broken this down here into the different risks that NM Super is exposed to with respect to managing the Guarantee, as well as the function that NMFM provides.

It should also be noted that, in the event that NMFM cannot fulfill its obligations to provide capital for Guarantee claim payments, AMP Group Holdings Limited has provided an undertaking to fulfill any such claim.

## Liability management risk

NM Super has entered into an agreement with NMFM, which covers any liability of NM Super to members of MyNorth 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 **NMFM's risk management techniques** on this page for more information.

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 both NMFM and NMSuper are 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.

## NMFM's risk management techniques

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.

## Investment fund risk

NM Super does not guarantee the payment of income distributions nor the performance of the investment options selected by members. The investment may not meet its investment objectives and may perform differently to the overall market it is invested in. The investment options are subject to investment risks, which could include delays in repayment and loss of income and capital invested.

→ For more information on other investment risks, please refer to the MyNorth Guardian Investment Options PDS.

## 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.

## The Wealth Master Trust Deed

The MyNorth Guarantee is governed by the Wealth Master Trust Deed.

The Trust Deed contains the rules and obligations for both NM Super and members.

### **NM Super's discretion to offer the MyNorth Super and Pension Guarantee**

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.

#### **How to get a copy of the Wealth Master Trust Deed**



We'll send you a copy of the Wealth Master Trust Deed free of charge on request. To request a copy, email us at [north@amp.com.au](mailto:north@amp.com.au) or call us on 1800 667 841.

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