

NOTICE TO INVESTORS

Important information

Important information regarding changes to Advance Retirement Suite grandfathered payments, fees and costs

This notice informs members about changes relating to the ending of grandfathered payments and changes to Advance Retirement Suite Fees and Costs. This notice has been issued by BT Funds Management Limited (ABN 63 002 916 458, AFSL 233724) as the Trustee of the Advance Retirement Suite.

Why is this happening?

On 1 July 2013, the Future of Financial Advice (FoFA) reforms banned a number of payments in relation to financial advice. However, some of these payments were allowed to continue, referred to as grandfathered payments. From 1 January 2021, these grandfathered payments will no longer be allowed to continue and any benefit from ceasing these payments must be passed back to members.

What is changing and when?

Grandfathered payments will cease

The manner in which the benefit of ceasing to pay grandfathered payments will be passed on to members depends on the underlying managed investments in which members are invested.

Where Advance Asset Management Limited (Advance) is the responsible entity of the underlying managed investment, the benefit will be passed on in the form of a reduced management fee from 1 December 2020, as shown in the following table:

ADVANCE RETIREMENT SUITE INVESTMENT OPTION	APIR CODE	MANAGEMENT FEE		
		CURRENT	REDUCTION	NEW (FROM 1/12/2020)
Advance Balanced Multi-Blend Fund	ADV0120AU	1.89%	0.44%	1.45%
Advance Balanced Multi-Blend Fund (Nil Entry Fee)	ADV0121AU	2.15%	1.10%	1.05%
Advance Money Market Fund	ADV0122AU	0.49%	0.44%	0.05%
Advance Defensive Multi-Blend Fund	ADV0123AU	1.71%	0.44%	1.27%
Advance Defensive Multi-Blend Fund (Nil Entry Fee)	ADV0124AU	2.19%	1.10%	1.09%
Advance International Shares Multi-Blend Fund	ADV0125AU	2.05%	0.44%	1.61%
Advance International Shares Multi-Blend Fund (Nil Entry Fee)	ADV0126AU	2.24%	1.10%	1.14%
Advance Moderate Multi-Blend Fund (Nil Entry Fee)	ADV0090AU	1.87%	0.55%	1.32%
Advance Growth Multi-Blend Fund (Nil Entry Fee)	ADV0024AU	1.98%	0.55%	1.43%
Advance High Growth Multi-Blend Fund (Nil Entry Fee)	ADV0086AU	2.13%	0.55%	1.58%

Please note that if members were previously receiving a rebate of the grandfathered commission payment because members did not have an adviser, from 1 December 2020 we will cease providing this rebate because we will instead be passing this benefit through to members in the form of a reduction to the management fee, from 1 December 2020, as shown above.

Where Advance is not the responsible entity of the underlying managed investment, we will arrange for the benefit to be passed on as a rebate to relevant members, as shown in the following table:

ADVANCE RETIREMENT SUITE INVESTMENT OPTION	APIR CODE	CURRENT MANAGEMENT FEE	REBATE TO MEMBERS	NET COST AFTER REBATE
Maple-Brown Abbott Australian Geared Equity Fund	ADV0077AU	2.05%	0.66%	1.39%
MBA Australian Sharemarket Fund	ADV0118AU	1.95%	0.44%	1.51%
MBA Australian Sharemarket Fund (Nil Entry Fee)	ADV0119AU	2.22%	1.10%	1.12%

If members had previously been charged a contribution fee on any additional investments or contributions, members will no longer be charged contribution fees from 1 December 2020.

If members have insured benefits, a portion of the insurance premium is currently paid to their financial adviser's dealer group as a grandfathered payment. As part of the legislative changes, effective from 14 December 2020 these payments will cease and members will see a reduction in insurance premiums when the next payment is due.

These changes will result in the benefit of any grandfathered remuneration being returned to members.

Ending of Monthly Adviser Remuneration Fee

In addition to the changes to grandfathered payments, from 1 December 2020, we will no longer facilitate the payment of the Ongoing Monthly Adviser Remuneration Fee (OAF), and therefore members will no longer be able to direct us to pay this fee from that date. If members currently direct us to deduct and pay the OAF to their adviser, members may wish to discuss this change with their adviser.

What do members need to do now?

Members do not need to do anything unless they have an OAF. Fee reductions (or fee rebates) will automatically apply with effect from 1 December 2020 and reductions to insurance premiums will also occur automatically, in conjunction with the removal of grandfathered commission payments or rebates. Members may need to speak with their financial adviser if they have one with regard to the ceasing of OAF's and how this may affect their arrangement.

If you have any questions, please speak with your financial adviser if you have one, or alternatively contact us on 1800 819 935 or via email at investorservices@advance.com.au

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Information current at 30 October 2020

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