

Changes to your Macquarie Super and Pension Consolidator II account

Macquarie Wrap

These changes will become effective 1 October 2021

Operational Risk Financial Requirement (ORFR) fee

The Trustee is required to maintain adequate financial resources to address losses arising from operational risks that may affect the Macquarie Superannuation Plan (the Fund). This requirement is known as the Operational Risk Financial Requirement (ORFR). There is a cost associated with complying with the ORFR and from 1 October 2021, a new administration fee, named the ORFR fee, is being introduced. Details of the ORFR fee including the amount of the fee and how and when it is paid, are set out in the below table.

Amount	How and when paid
<p>An Operational Risk Financial Requirement (ORFR) fee of 0.03% p.a. of the balance of your account, subject to a maximum of \$300 p.a.</p> <p>Unless we notify you otherwise, the amount to be deducted from your account will be 0.00% p.a.</p>	<p>Payable to the Trustee.</p> <p>Calculated monthly on the daily closing balance of your entire account. Paid by a deduction from:</p> <ol style="list-style-type: none">in the first instance, the Fund's reserves, andwhere the Fund's reserves are not sufficient to cover part or all of the ORFR fee, from your Wrap Cash Hub, generally in the first week of the month after the fees accrue or upon closure of your account. <p>At the time of this document, the amount to be deducted from the Fund's reserves is 0.03% p.a. subject to a maximum of \$300 p.a. per account.</p>

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Wrap Cash Hub administration fee

A Wrap Cash Hub administration fee applies to the balance in the Cash Hub. This is a variable fee charged within a range. We have reduced the upper limit of this range and our estimate of the range of the fee is set out below.

Amount	How and when paid
<p>A Wrap Cash Hub administration fee applies to the daily balance of the Wrap Cash Hub (applicable for both the Engage and Elevate Investment Menu options).</p> <p>This is a variable fee and is estimated to be in the range of 0.73% – 1.20% p.a. At the time of this document, this fee is 0.83% p.a.</p>	<p>Payable to the Trustee, the Wrap Cash Hub administration fee is not separately deducted from your holding in the Wrap Cash Hub and is charged before interest is credited to the Wrap Cash Hub at the end of each quarter.</p>

Regulatory and operating expenses

The Trustee incurs expenses in complying with regulatory and prudential standards and paying compulsory government levies (eg APRA and ASIC levies). The Trustee may recover from reserves, or pass on to members, all or part of the actual expenses incurred by the Trustee in operating the Fund where it is permitted to do so under the trust deed and in accordance with the law. From 1 October 2021, the Trustee will recover these expenses from the Fund.

Details of the regulatory and operating expenses, including the estimated amount and how and when it is paid, are set out in the below table.

Amount	How and when paid
<p>Regulatory and operating expenses estimated to be approximately 0.006% p.a. of your account balance.</p> <p>Unless we notify you otherwise, the amount to be deducted from your account will be 0.00% p.a.</p>	<p>Payable to the Trustee at the time of, or after, incurring the relevant expense by a deduction from:</p> <ol style="list-style-type: none">in the first instance, the Fund's reserves, and/orwhere the Fund's reserves are not sufficient to cover part or all of the regulatory and operating expenses, from your Wrap Cash Hub.

Please note: all fees expressed in this document are inclusive of the net effect of Goods and Services Tax (GST) unless expressly stated otherwise. We may be able to claim a reduced input tax credit (RITC) of up to 75 per cent of the GST paid on some of these fees. Where we are able to claim an RITC, we will pass the benefit of this on to you.

Fee aggregation and relationship discounts on grouped accounts are not applicable to the ORFR fee, Wrap Cash Hub administration fee and Regulatory and operating expenses.

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Design and Distribution Obligations (DDO)

In October the design and distribution obligations (DDO) regulatory regime commences, and these obligations are intended to help consumers obtain appropriate financial products by requiring issuers and distributors to have a consumer-centric approach to the design and distribution of products. These obligations mean that:

- issuers must design financial products that are likely to be consistent with the likely objectives, financial situation and needs of the consumers for whom they are intended, and
- issuers and distributors must take 'reasonable steps' that are reasonably likely to result in financial products reaching consumers in the target market defined by the issuer.

In response to the DDO regime, there are some important changes to the operation of your account. These important changes are set out below.

Target Market Determinations

Under the DDO regime, target market determinations (TMDs) must be made by issuers of certain financial products. The TMDs will set out the class of clients which are in the target market for the product, any conditions and restrictions on how the product can be distributed and to whom it can be made available and some other prescribed content.

The DDO regime, including in some cases the conditions and/or restrictions set out in a TMD, may impact the availability of certain Eligible Investments and/or Eligible Insurance on the Investment Menu.

The TMDs for Eligible Investments that feature on the Investment Menu will be available from your adviser or the product issuer.

Accounts that do not have a financial adviser

From 5 October 2021, once the DDO regime takes effect, the following changes will apply to accounts that do not have a financial adviser linked:

- some investments (including those that you already hold) may be limited for purchase to investors who have an adviser or who have received personal advice and therefore may not be available for new or additional investments
- automated investment management tools described in the Transacting section of the PDS (including dollar cost averaging, automatic cash management and automatic rebalancing) may not be available to accounts without an adviser linked. Where these tools are active on your account and you no longer have an adviser, we may cease providing you with these services
- the ability to move between the Engage and Elevate Investment Menu options may be restricted
- you may not be able to elect to rollover a term deposit and/or your existing term deposit rollover instructions may be cancelled
- investment choices may also be more limited.

Where an account does not have an adviser linked, it is even more critical to ensure your mobile phone number and email address details remain up to date. This is because if you do not have an adviser linked to your account and we do not have up to date details, we may not be able to contact you about important matters or if we do communicate by mail, the time taken for this information to be delivered may mean you do not have sufficient time to act on the important information about your account.

Transactions without personal advice

From 1 October 2021, your adviser may be restricted in executing transactions in particular products on your behalf which:

- your adviser has not recommended to you by giving you personal advice, and
- your adviser determines is not consistent with the product's TMD.

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Changes to complaints processes

We're making updates to our complaints processes in line with new regulatory requirements.

- **Timeframes** – For superannuation trustee complaints, (except for complaints about death benefit distributions), we will provide a response to a complaint no later than 45 calendar days after receiving the complaint. For complaints about superannuation death benefit distributions, we will provide a response no later than 90 calendar days after the expiry of the 28-calendar day period for objecting to a proposed death benefit distribution. For particularly complex matters or for delays which are caused by circumstances beyond our control, a longer response time may be necessary, in which case we will notify you of the delay and the reasons for the delay.
- **AFCA** – If you are not satisfied with our response, you can lodge a complaint with AFCA. You can contact AFCA as follows, quoting membership number 10635:
Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Email: info@afca.org.au
Tel: 1800 931 678 (free call)
Website: www.afca.org.au
- **Macquarie Customer Advocate** – Where previously the Macquarie Customer Advocate was available as an avenue of review for complainants who were not satisfied with our handling of their complaint, the Macquarie Advocate's role is now to:
 - listen to our customers and provide a customer-centric voice when making recommendations to improve customer experience
 - minimise the risk of future problems by reviewing key customer themes, and
 - work with Macquarie complaint teams to promote fair and reasonable customer outcomes.

The Macquarie Customer Advocate is separate to Macquarie's operating, risk and support groups including its internal dispute resolution teams.

The Macquarie Customer Advocate can be contacted at:

The Customer Advocate
Macquarie Group Limited
GPO Box 4294
Sydney NSW 1164
Email: customeradvocate@macquarie.com

Adviser service fees

In accordance with new regulatory requirements and regulator expectations, we have implemented some changes including that:

- we may ask you or your adviser for evidence that advice services have been provided where adviser service fees are being charged
- adviser service fees may be refunded if we reasonably believe that services have not been provided
- we will not deduct advice fees from your account without your consent in accordance with regulations, and
- we will not permit advice fees to be deducted from your account for general advice.

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Other changes

Removal of the Eligible Rollover Fund

Due to a change in legislation, the Fund no longer has a nominated Eligible Rollover Fund.

Electronic signatures

We have updated our procedures and now accept certain instructions that have been signed with an electronic signature, provided supporting evidence is provided to verify the authenticity of the instruction.

Engage menu options

The Engage Investment Menu option will be updated to broaden the SMA model portfolios available within the option to include a limited number of SMA model portfolios that are provided by investment managers other than Macquarie.

Dollar Cost Averaging for SMAs

Dollar cost averaging will shortly be available to Separately Managed Accounts (SMAs) held in your Super and Pension Consolidator II account (as well as managed investments).

Rounding

We may round numbers up or down depending on the particular rounding rules that apply to various calculations made within Super and Pension Consolidator II. For example, some investments may trade in less than whole cents or partial units and some system calculations such as those relating to fees, GST and interest may be required to be rounded to arrive at an amount that we report online and/or that is added to, or deducted from, your account.

Reporting on a group of accounts

We provide individual reports to you for the accounts you hold. We offer the ability to group your accounts for reporting purposes to your adviser, but we no longer offer this service to you directly.

If you have any questions regarding these changes, please speak to your adviser or visit Help Centre at help.macquarie.com.au. To contact Macquarie, call **1800 025 063**, visit macquarie.com.au, email wrapsolutions@macquarie.com or send mail to **Macquarie Wrap GPO Box 4045 Sydney NSW 2001**.

This information is issued by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281 (MIML).

Macquarie Super and Pension Consolidator II is part of the Macquarie Superannuation Plan R1004496 of which MIML is the trustee. In deciding whether to acquire or continue to hold an investment you should consider the Product Disclosure Statement (PDS) which is available from us. MIML is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) 1959, and unless otherwise specified in the PDS, neither your interest in the product nor MIML's obligations represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 or of any Macquarie Group entity. Neither Macquarie Bank Limited nor any member of the Macquarie Group guarantees or otherwise provides assurance in respect of the obligations of MIML.