

# ARC Master Trust

## Product Changes Significant Event Notice

1 December 2018

### We're making changes to your product

We have recently reviewed the investment options offered through ARC Master Trust to ensure they remain appropriate to the changing needs and expectations of members of the TAL Superannuation and Insurance Fund. After carefully considering the results of this review, the Trustee decided to make the following changes.

#### 1. Investment option closures

From 1 December 2018, we will be closing three investment options and transferring moneys invested in these investment options to the nearest equivalent investment option. See the back of this page for a detailed comparison between the terminating and nearest equivalent investment options including changes to the investment management fees payable.

#### What this means for you

If you have money invested in one or more of the terminating options on 1 December 2018, we will automatically transfer it to the equivalent option(s) effective as at that date. Your new investment strategy will be confirmed via the ARC Member Portal. If you haven't activated your access already, the information box on the back of this page provides details on how to do so.

You may switch to alternative investment option(s) by 1 December 2018. This can be done online through the ARC Member Portal or by completing a Change of Details Form. The form is available on our website ([www.arcmt.com.au](http://www.arcmt.com.au)) under the ARC Master Trust Member Resources page or you can call us for a copy.

#### 2. Investment option name changes

From 1 December 2018, we will change the name of the following investment options.

Current name	New name
ARC Assured Caution	ARC Defensive
ARC Security Focus	ARC Conservative
ARC Conservative Balanced	ARC Moderate
ARC Balanced Growth	ARC Growth
ARC Growth Maximiser	ARC High Growth

#### 3. Changes to investment timeframes

From 1 December 2018, the investment timeframes for the ARC Growth and ARC High Growth investment options will change from 5+ and 6+ years respectively to 7+ years.

## Investment Options Comparison Table

The following table compares the characteristics of the investment options being closed with the characteristics of the nearest equivalent investment option. More information on the investment options is available in the ARC Master Trust member booklet, which is available [on www.arcmt.com.au](http://www.arcmt.com.au) or you can call us for a copy. We strongly recommend you speak to a financial adviser before making investment decisions.

Current investment option	Objective <sup>1</sup> and timeframe <sup>2</sup>	Strategic Asset Allocation <sup>3</sup>	Standard risk measure <sup>4</sup>	Investment management Fee p.a.	Nearest equivalent investment option	Objective and timeframe	Strategic Asset Allocation	Standard risk measure	Investment management Fee p.a.
<b>ARC Australian Fixed Interest</b>	Exceed the Bloomberg AusBond Treasury 0+ Yr Index  <b>3+ years</b>	100% Defensive	High	0.70%	<b>ARC Defensive</b>	Exceed increases in the Consumer Price Index (CPI) by 1% p.a. over rolling 5 year periods  <b>3+ years</b>	15% Growth 85% Defensive	Medium	0.79%
<b>ARC Australian Property</b>	Exceed the S&P/ASX 200 Property Trusts Accumulation Index  <b>7+ years</b>	100% Growth	Very high	0.45%	<b>ARC Australian Shares</b>	Exceed the S&P ASX 300 Accumulation Index  <b>7+ years</b>	100% Growth	Very high	0.94%
<b>ARC International Shares</b>	Exceed the MSCI World (ex. Aust) in AUD Net Dividends Reinvested Index  <b>7+ years</b>	100% Growth	High	1.14%	<b>ARC High Growth</b>	Exceed increases in the CPI by 4% p.a. over rolling 5 year periods  <b>7+ years</b>	85% Growth 15% Defensive	High	1.025%

<sup>1</sup> The **objective** is an investment option's expected annual investment return net of fees and taxes.

<sup>2</sup> The **timeframe** is the suggested minimum period of time a member should consider holding an investment in a particular investment option to maximise the likelihood of a positive return.

<sup>3</sup> The **Strategic Asset Allocation** is the ratio of an investment option's growth assets to defensive assets.

<sup>4</sup> The **Standard Risk Measure** is based on guidance from the Australian Prudential Regulation Authority to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.