

13 November 2020

Dear member,

Important update: upcoming changes to your superannuation fund

We're writing to you to inform you of an upcoming change to the structure of the NEOS Super Plan (the **Plan**).

There have been a number of regulatory changes to superannuation, introduced by the government and regulatory bodies such as Australian Prudential Regulation Authority (**APRA**) over the last few years, which have increased the complexity and costs associated with administering superannuation funds.

This is resulting in mergers being actively encouraged between superannuation funds. A merger results in a larger fund, which typically achieves a range of efficiencies that ease the pressure of rising costs upon members.

The trustee of your Plan, Tidswell Financial Services Limited (**TFSL** or the **Trustee**), has been working with APRA to ensure that the Plan has sufficient scale (in terms of the number of members and the amount of assets) to be viable in the medium to long term. As a result, TFSL intends to transfer members of the Plan into the Smartsave 'Member's Choice' Superannuation Master Plan ABN 43 905 581 638, RSE R1001341 (**Smartsave**) via a process called a Successor Fund Transfer (**SFT**). The trustee of Smartsave is Diversa Trustees Limited ABN 49 006 421 638, RSE License L0000635, AFS Licence 235153 (Diversa).

We will explain the SFT process in more detail in the section below, but the outcome of this would be your inclusion and membership in a stronger, larger fund structure that will be better placed to help provide economies of scale into the future.

What does Successor Fund Transfer mean?

The *Superannuation Industry (Supervision) Regulations 1994* defines SFT as the transfer of benefits of a member from their current superannuation fund to a new superannuation fund (**successor fund**), provided the successor fund satisfies the following:

- a) the fund confers on the member equivalent rights to the rights that the member had under the original fund in respect of the benefits, and
- b) before the transfer, the trustee of the fund has agreed with the trustee of the original fund that the fund will confer on the member equivalent rights to the rights that the member had under the original fund in respect of the benefits.

As a member's consent is not required where the benefits are transferred under an SFT, the Trustee must ensure that the transfer is in the best interest of members.



neoslife.com.au

GPO Box 239, Sydney NSW 2001

e: customerservice@neoslife.com.au t: 1300 090 188

What does this mean for you?

This SFT would result in you becoming a member of a larger superannuation fund with total assets of well over \$1 billion. The Trustee is confident that the decision to SFT the Plan in order to create a larger superannuation fund, that has existing synergies while retaining equivalent rights for Plan members, will over time, improve member outcomes. However, please note that the SFT remains subject to the completion of appropriate due diligence by the Trustee and Diversa.

What will happen to your account?

There will be no change to the Insurer, Administrator or Promoter of the Plan, nor will there be any changes to your insurance cover or the premiums that you currently pay as a result of the SFT. Your enduring rollover authority will also continue to remain in place.

What is Smartsave?

Smartsave is a public offer superannuation fund offering an employer, personal and pension division.

Diversa is the Trustee of Smartsave. Smartsave will provide the ability for the Plan to continue in its current form, with the potential to realise improved member benefits over time through economies of scale.

What happens next?

The Trustee has commenced its due diligence process to ensure members of the Plan will receive the same member equivalent rights upon transfer to Smartsave that they currently hold in the Plan.

At this stage, no proposed transfer date has been set for the SFT. However, subject to the Trustee completing its due diligence and satisfying itself that the SFT is in the best interests of the members and will provide members with equivalent rights, **the SFT is likely to occur in December 2020.**

Members will receive further communications in relation to the SFT and Smartsave once the due diligence process has been completed and approved.

We're here to help

If you have any questions or would like further information, please contact the NEOS customer service team at the following:

- **Phone:** 1300 090 188 between 8am and 6pm (Sydney time) Monday to Friday
- **Email:** customerservice@neoslife.com.au
- **Write:** NEOS Super Plan, GPO Box 239, Sydney, NSW 2001

Kind regards,



David Denison

For and on behalf of Tidswell Financial Services Limited
Trustee of NEOS Super Plan