

PRODUCT NEWS AND OTHER IMPORTANT INFORMATION

As at 30 June 2023



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Product news

Completed transfer of AIA Australia Limited's (AIAA) Superannuation and Investments (S&I) business to Resolution Life Australasia Limited (Resolution Life)

We recently sent you a letter informing you of the sale of AIAA's S&I business to Resolution Life. We are happy to confirm that the transfer is now complete, effective 1 July 2023. This transfer does not change how your product is administered.

Investment changes

Investments are periodically reviewed to identify opportunities that may help enhance the investment returns and to respond to market changes. Changes have been made to a number of investment options over FY22/23. For full details on investment options available in your product, including the investment strategy and fees go to resolutionlife.com.au/aia/annual-performance. This will be available online by 31 August 2023.

Strategic Asset Allocation (SAA) changes

AIA Australia (AIAA) has an ongoing process in place to review the investment strategies, including the Strategic Asset Allocations (SAAs) of our investment options. Following a recent review of our investment options, we have revised the Standard Risk Measure (SRM) risk rating for the following options

- Capital Defensive – from 'Low' to 'Low to Medium'
- Capital Stable – from 'Low to Medium' to 'Medium'
- Macquarie Australian Fixed Income - from 'Medium' to 'Medium to High'
- NC-Conservative Investment option - from 'Low to Medium' to 'Medium'

The SRM change is a change in risk classification only, resulting from changes in AIAA's forward-looking capital market assumptions and specifically around Fixed Interest where we see higher volatility in returns from this asset class. There is no change to the investment strategy or actual risk of these options.

Legislative change

The following is a summary of the legislated change relating to your product.

Transfer balance cap increase

From 1 July 2023 the transfer balance cap increases to \$1.9 million.

The transfer balance cap, limits the total amount of super you can transfer into a tax-free retirement account over your lifetime. Most pensions and annuities count toward your transfer balance cap. It excludes the age pension, other types of government payments and pensions received from foreign super funds.

If you have any super in retirement phase, you will have a personal transfer balance account, which allows you to check whether you've exceeded your personal transfer balance cap.

The general transfer balance cap is reviewed each financial year and is indexed in line with the consumer price index in \$100,000 increments.

Your own personal transfer balance caps depends on the:

- financial year the transfer balance account commenced
- any increments that have been applied.

Improving the equity and sustainability of the superannuation system

From 1 July 2025, earnings on balances exceeding \$3 million will attract an increased concessional tax rate of 30 per cent. Earnings on balances below \$3 million will continue to be taxed at the concessional rate of 15 per cent.

The end of reduced minimum pension drawdown rate

From 1 July 2023, the default minimum drawdown rates for account-based pension reverted back to their pre-COVID levels. This effectively ends the temporary halving of the minimum drawdown rates that were in place since the 2020 budget.

Please contact us if you wish to make any changes to your pension payment amounts.

Investment performance

Details of investment options and their performance are available online at resolutionlife.com.au/aia/annual-performance for the financial year ending 30 June 2023 and will be available online by 31 August 2023.

For a printed version (free-of-charge) please call us on the phone number provided on your annual statement.

Important reminders

Certified ID

To action certain requests, we may need to ask you to provide us with certified proof of your identity.

This helps prevent fraudulent activity on your account and is required under certain laws. For details on the acceptable forms of ID and how to have these certified, visit resolutionlife.com.au/aia/how-to-confirm-your-identity

Third Party Authority

You can authorise a third party (individual or adviser) to access information on your account. We're now able to accept Third Party Authority (TPA) requests by telephone with all parties present.

For more information on what's required from you to register a TPA on your account, please contact us on the phone number provided on your annual statement. Please note that your nominated third party will not be authorised to make any changes or withdrawals on your account, and they can only access information.

Power of Attorney

You may appoint a Power of Attorney (POA) on your account to act on your behalf in relation to financial matters, where you're unable to conduct them personally.

Please visit your local government website on how to appoint a POA.

Once your POA has been appointed, please contact us on the phone number provided on your annual statement.

More information?

For more information about your account or if you require a printed version of this document (free-of-charge), please call us on the phone number provided on your annual statement or send an email to au.service@aia.com