

MyNorth Guarantees

Allowing your clients to invest with
greater peace of mind

For adviser
use only



North

Give your clients the ability to grow wealth, while their savings stay protected

We understand that as a client approaches retirement, their appetite for absorbing market losses reduces. That's because a downturn in the market can have a significant negative impact on their superannuation balances, forcing some people to defer their retirement plans, accept a lower standard of living in retirement, or rely on a future market recovery to recoup losses (which may take time).

A common strategy to help manage this is to lower the risk of a client's portfolio by moving more of their investments into defensive assets. However, as we all know, generally when there's a lower risk, there's a lower reward.

By moving investments into more defensive assets, the usual trade-off is that a client may be missing out on potential upsides had they remained invested in growth assets.

The MyNorth Guarantee is available as a standalone product on the MyNorth Investor Director Portfolio Service (or IDPS) or as a feature on the MyNorth Super and Pension product.



Now your clients can have their cake, and eat it too

The MyNorth Guarantees are designed to give your clients the best of both worlds – they can remain invested in growth assets and benefit from gains, while also ensuring that their savings are protected from falls in the market.

These products are exclusive to North, and can offer your clients reassurance when it comes to looking after their future.



Here's how it works

Of course, you can discover more detailed information in the MyNorth Super and Pension Guarantee Product Disclosure Statement (PDS) Part B and MyNorth Investment Guarantee PDS, but here's a basic overview.

Protection your client can count on

The MyNorth Guarantees are designed to provide explicit assurance to your clients that their investment will be protected from market losses if they hold the guarantee to maturity. So, without taking into account monthly guarantee fees, anyone who holds the guarantee for its full 5 or 10-year term will at the very least receive their initial investment amount back.

If the market has gone down, their investment has been protected. Alternatively, if the market has gone up, the value of their investment has increased.

Growth is locked in annually

At each anniversary date of the guarantee, any gains in the investment value above the protected balance can be locked in, and this amount will become the new protected amount going forward. In this way, your client is able to take advantage of the ups, but avoid losses during the downs.

Please note that the growth lock-in is a standard feature of guarantees with a 10-year term, and an optional feature of those with a 5-year term.



Investment options available

The MyNorth Guarantees are available with the following investment options:

MyNorth Essentials Index Balanced Fund with a 5-year term	MyNorth Essentials Index Balanced Fund with a 10-year term	MyNorth Essentials Index Growth Fund with a 10-year term
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And, here is a quick overview of these funds:

	MyNorth Essentials Index Balanced Fund	MyNorth Essentials Index Growth Fund
Investment objective¹	To provide moderate growth in the investment over the medium to long term with moderate fluctuations in value likely in the short term.	To provide moderate to high growth in the investment over the long term with larger fluctuations in value likely in the short term.
Investment strategy²	To invest in a mix of traditional listed assets using a passive management approach. Growth assets such as shares will have an average allocation over time of around 70%, with the balance in defensive assets such as cash and fixed interest.	To invest in a mix of traditional listed assets using a passive management approach. Growth assets such as shares will have an average allocation over time of around 85%, with the balance in defensive assets such as cash and fixed interest.
Asset allocation³	Strategic range %	Strategic range %
Australian shares	18 - 48	25 - 55
Global shares	22 - 52	30 - 60
Fixed income	3 - 43	0 - 30
Cash	0 - 32	0 - 30
Growth	50 - 90	65 - 100
Defensive	10 - 50	0 - 35

The MyNorth Essentials Index Funds will not pay cash distributions. Any earnings from these funds will be attributed to unit holders and reflected in the unit price.

You should read the MyNorth Essentials Index Investment Options PDS before deciding whether to invest in these funds.

¹ ipac Asset Management Limited ABN 22 003 257 225, AFSL 234655 is the responsible entity of the MyNorth Essentials Index Funds and may change this objective or strategy from time to time if they consider it to be in the best interests of investors. If they do so, they will advise investors.

² The Portfolio Manager aims to manage asset allocations within the asset allocation ranges. However, in certain circumstances, the Portfolio Manager may manage actual allocations outside of the allocation ranges. Such circumstances may include, but are not limited to, where one of the Investment Options or underlying funds is closed for new applications or withdrawals, during changes to the product structure, asset allocation or manager line-up, or in certain market conditions. The Portfolio Manager will not deviate outside the asset allocation ranges to pursue investment opportunities based on short-term expectations.

³ May include an allocation to government bonds and credit (investment grade).

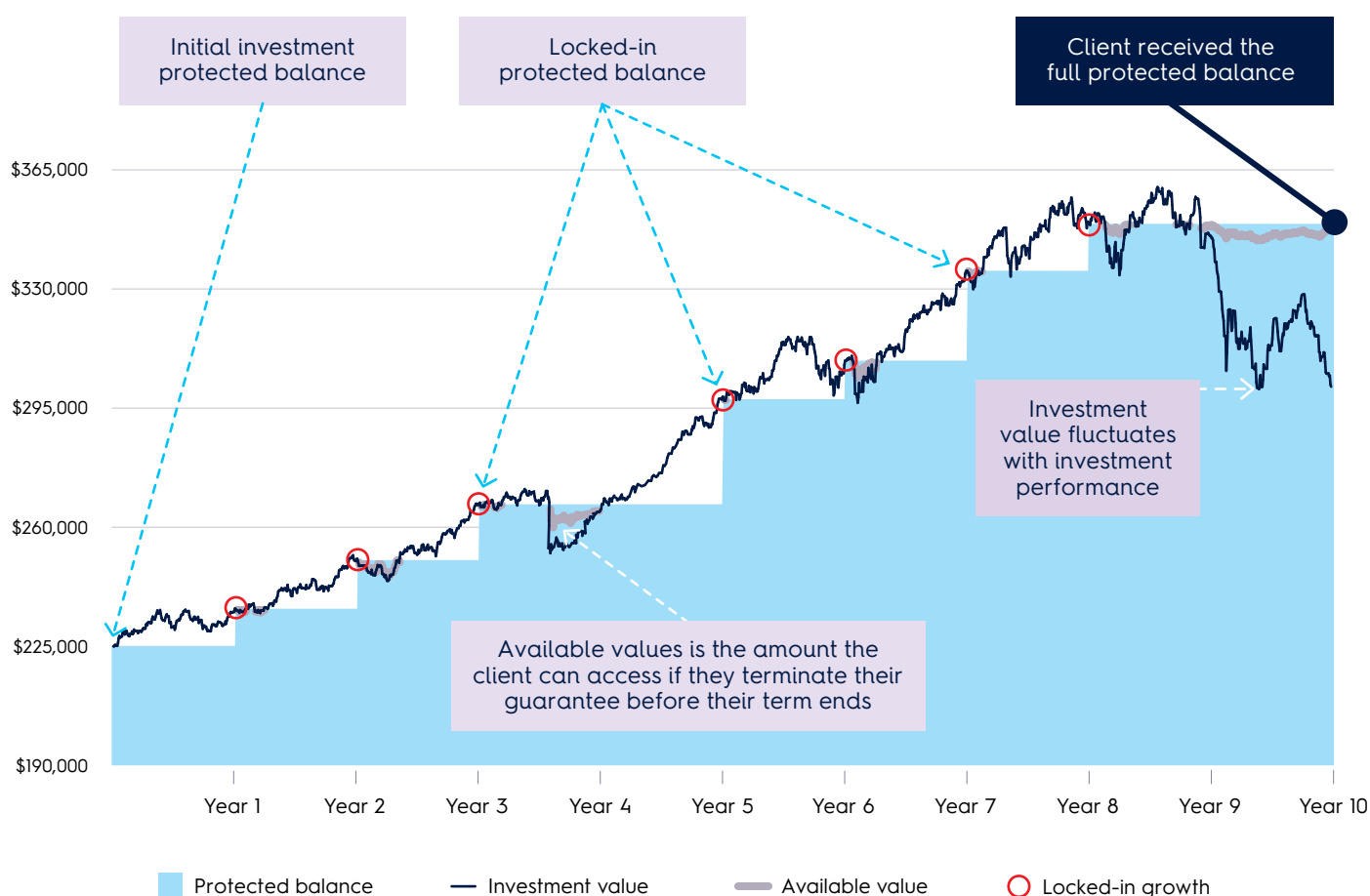
Vesting is available

The total investment value is always available for withdrawal, however with the 10-year guarantee, your clients have the option to add the vesting feature (for an additional fee). This means that at the time of early access or termination, if the protected balance is higher than the investment value (the market value of their investment), this feature entitles the client to receive a portion of the difference.

The amount payable is calculated based on the vesting schedule, provided in the PDS.

An illustration of the guarantee at work

Using the 10-year guarantee with the optional vesting feature, the chart below illustrates some of the key features, including how growth is locked in, and how your client's investment is protected in the event of a market downturn.



Please note, this illustration does not account for the guarantee fees or tax liabilities attributed from the guaranteed investment over the life of the guarantee.

To see how the MyNorth Guarantees may work for your clients, please use the MyNorth Guarantee Illustrator tool at **North Online**.

Fees and charges

The actual fees and costs of the MyNorth Guarantee will depend on the client's protected balance, term, the investment options they choose, additional features for the guarantee, and the transactions they carry out.

It's important to understand that the costs of the MyNorth Guarantee are in addition to the fees and costs of the investment option selected and the platform fees.

For detailed information about the total costs and fees applicable to the MyNorth Guarantee please refer to the MyNorth Super and Pension Guarantee Product Disclosure Statement (PDS) Part B and MyNorth Investment Guarantee PDS.

To further assist, you might also like to use the fee calculators provided at **North Online**.

Guarantee fees

The MyNorth Guarantee fees are outlined below. Please note that they will not reduce your client's protected balance or investment value. Instead, the fee is deducted from their cash account, which is held outside of the guarantee.

	5-year term	5-year term with growth lock-in feature	10-year term with growth lock-in feature	10-year term with growth vesting feature
MyNorth Essentials Index Balanced	1.15% p.a.	2.05% p.a.	1.25% p.a.	1.65% p.a.
MyNorth Essentials Index Growth	N/A	N/A	1.65% p.a.	2.00% p.a.



Some frequently asked questions



Who are the MyNorth Guarantees suitable for?

The MyNorth Guarantees may be suitable for clients who wish to protect their retirement savings or investment from falls in the market while continuing to receive the potential benefits of investing in growth assets.

When selecting either a 5 or 10-year term, consider when the client may need to withdraw funds for retirement.



What is the minimum investment amount?

The minimum investment amount is \$20,000. This amount is also the minimum protected balance.



Can money be withdrawn early, before the term ends?

Yes, the client will always have access to the amount of their investment value and may request to sell out of the guaranteed investment before the end of the guarantee term. Unless the client has a 10-year guarantee with the vesting feature, the amount they are entitled to receive is their investment value (the market value of their guaranteed investment). If they have the vesting feature, and the protected balance is higher than the investment value at the date of early access or termination, they'll be entitled to a portion of the difference. The amount payable is calculated based on the vesting schedule (please see PDS).



How are the fees for the guarantee paid?

The Guarantee fee is paid via a monthly deduction from the client's cash account. The client is expected to hold funds in their cash account to cover these fees.



What happens if the holder of the MyNorth Guarantee dies?

The guarantee will continue as usual under the direction of the estate's executor. Beneficial ownership of the guarantee cannot be transferred. Proceeds for the portfolio will only be released to the estate.



How does the guarantee work with tax obligations?

Generally, if a client selects a MyNorth Guarantee, the following rules should apply:

- A tax deduction cannot be claimed on the guarantee fee. The MyNorth Investment Guarantee is an asset for capital gains tax (CGT) purposes. Guarantee fees that have been paid are added to the cost base in this asset.
- A CGT event may arise when any of the following occurs:
 - early termination of the guarantee;
 - the guarantee lapses;
 - a withdrawal or partial withdrawal of the fund value is made; or
 - after maturity of the guarantee, the client does not re-invest in a new guarantee and it is sold down to cash.
- Any payments the client's account receives in relation to a guarantee are considered to be sales proceeds from the asset.
- A capital gain realised in relation to the guarantee may be eligible for a CGT discount.

The logo for North, featuring the word "North" in a dark blue, sans-serif font. A small blue triangle is positioned above the letter 'o'.

We're here to help

More detailed information on this product can be found in the relevant PDS. However, if you have questions or simply want to know more, don't hesitate to contact us.



Speak with your BDM



Request a call back
northonline.com.au/call-back



Contact North Service Centre
[Email north@amp.com.au](mailto:north@amp.com.au)
Call 1800 667 841
(Mon-Fri, 8:30am – 7pm Sydney time)

What you need to know

The information on this document has been provided by NMMT Limited ABN 42 058 835 573, AFSL 234653 (NMMT) in relation to the MyNorth Super and Pension Guarantee and National Mutual Funds Management Ltd ABN 32 006 787 720, AFSL 234652 (NMF) in relation to the MyNorth Investment Guarantee and is general in nature. It's for professional adviser use only and must not be distributed or made available to retail clients. A person should consider whether this information is appropriate for them before making any decisions. It's important a person considers their circumstances and reads the relevant product disclosure statement and/or investor directed portfolio services guide and target market determination, available from northonline.com.au or by contacting the North Service Centre on 1800 667 841, before deciding what's right for them.

You can read the **Financial Services Guide** online for more information, including the fees and benefits that companies related to NMMT, NMF, N. M. Superannuation Proprietary Limited ABN 31 008 428 322, AFSL 234654 (NM Super) and their representatives may receive in relation to products and services provided. You can also ask us for a hard copy. Past performance is no guarantee of future performance. MyNorth Super and Pension Guarantee is an investment feature available to members of the MyNorth Super and Pension Plans. The MyNorth and Super Plan is offered as part of the Wealth Personal Superannuation and Pension Fund ABN 92 381 911 598, of which NM Super is the trustee.

MyNorth Investment Guarantees are issued by NMF. MyNorth Investment Guarantees are a put option, which is a derivative, issued to investors (when selected) in MyNorth Investment (which is an investor directed portfolio service (IDPS) product). NMT is the issuer and operator of MyNorth Investment.

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