

26 March 2021

Dear Member

EMPOWERING MEMBERS WITH MORE CHOICES AND SERVICES

At the APSS, we are committed to delivering value for our members and have a long and proud tradition of doing just that. Over the past several months, we have been exploring ways to create an even stronger, more sustainable foundation for you to build and live a secure and comfortable retirement, while continuing to safeguard your APSS benefits. That has led us to enter into discussions with one of Australia's largest and fastest-growing superannuation funds, Sunsuper, about a potential merger.

Our aim with this proposed merger is to ensure that as a member, you will have a wider range of investment choices, services and advice to help you achieve your best retirement outcomes.

At the same time, your existing APSS benefits will be protected.

- **APSS Defined Benefits** would continue, using the same APSS defined benefit formula, with Australia Post continuing to support them at no cost to employee members.
- **APSS Member Savings, Rollover, Spouse, and Pension accounts** would simply transfer to the merged fund to operate in much the same way, with total flexibility to change those arrangements at any time as required.

Why is the APSS exploring a possible merger?

With around \$8 billion of assets and nearly 30,000 members, the APSS is a large and healthy super fund. However, because the APSS is closed to new employee members, its assets and membership will naturally reduce over time as members draw down their super. So now is the right time to take steps to ensure that your APSS benefits continue to be managed on a strong and sustainable foundation for the long term.

Following careful consideration of many options, we believe that exploring a merger with a large and growing super fund like Sunsuper is the best way forward for members in the long term by offering the best of both worlds – the protection of your APSS benefits and a significantly wider range of services and choices.

About Sunsuper

Sunsuper is an award-winning, multi-industry fund and one of Australia's fastest growing, with 1.4 million members and over \$80 billion in assets at 31 January 2021. As a profit-for-members fund, Sunsuper returns all profits to members in the form of better services and lower fees, not as dividends to outside shareholders. In their words, members sit at the heart of everything they do.

Sunsuper is currently also in discussions with another major fund, QSuper, to combine together into one of Australia's largest super funds. Depending on the timing of Sunsuper's merger with QSuper, it is possible that, if we proceed with our own merger, the APSS will be integrating with that newly combined QSuper and Sunsuper fund.

Sunsuper's offer to be considered as the APSS's merger partner highlighted the high-quality services, advice and investment choices that would be available to members, alongside the protection of APSS benefits within a larger fund. If the merger proceeds, there would be a customised section of the merged fund for Australia Post employees, with its own Australia Post and APSS branding.

When will a decision be made?

At this stage, we have entered into a non-binding agreement with Sunsuper to explore a merger, but this does not bind us to merge with them. Within the next year, we plan to complete our review and establish whether the proposed merger is definitely in the best interests of APSS members. If the merger remains in the best interests of members at that stage, we would work towards merging APSS members and assets into the merged fund in 2022. We commit to keeping all members well-informed at each stage of the process.

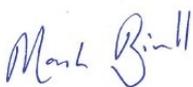
There is nothing you need to do

For now, there is nothing you need to do. Your APSS account continues to be managed as usual as we progress these merger talks. Our team is here to serve and assist you as always.

Questions?

We're sure you will have more questions. We have started answering them on our apss.com.au website. If you can't find an answer or need more detail, please contact us by email at sr@apss.com.au or call our dedicated APSS helpline on **1300 360 373**.

Yours sincerely



Mark Birrell
Chairman



Greg Rayner
Director



Silvio Santostefano
Director



Bridget Sebire
Director



Michael Tull
Director



Bryan Watkins
Director



Maria Wilton
Director

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