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## Member Investment Choice Rules

These Rules are made in accordance with clause 8.5(c)(ii) of the Trust Deed relating to the Australia Post Superannuation Scheme. These Rules were approved by the Trustee on 1 March 2019.

These Rules apply from 1 March 2019.

### 1. Definitions

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**DB Component** means the benefit of a member that is transferred or credited (as the case may be) to an MIC Member Account pursuant to clause 10.2(a) or clause 10.3 of the Trust Deed, less the Accumulation Component (if any) of that member.

**Default Investment Option** means such Investment Option as the Trustee may determine from time to time.

**Investment Option** means an investment option specified in Rule 3.

**MIC Member** means a person who has been admitted to membership of the Fund in relation to whom the Trustee maintains an MIC Member Account.

**MIC Member Account:**

- (a) in respect of a Full Member or a Class A or Class B Statutory Benefit Member (**Employee Member**), means an accumulation style account maintained in the Fund comprising the Member's Member Financed Benefit from time to time (**Accumulation Component**);
- (b) in respect of a Member who holds an account under Rule 8 of the Trust Deed, means the Member's Beneficiary Account, which, for the avoidance of doubt, includes Rollover Accounts and Account Based Pension Accounts (**Rollover or Pension Member**); and
- (c) in respect of a person who is the eligible spouse of a Member within the meaning of Rule 10 of the Trust Deed, means the Member's Spouse Account (a **Spouse Member**).

**MIC Member's Account Balance** in relation to an MIC Member at any date, means the aggregate amount standing to the credit of their MIC Member Account at that date in accordance with the Trust Deed and Rules.

Other capitalised terms have the same meaning as in the Trust Deed.

### 2. Eligibility

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An MIC Member is eligible to select one or more Investment Options as set out in these Rules.

### **3. Investment Options**

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An MIC Member may select one or more of the following Investment Options to apply to all or a nominated proportion of his or her MIC Member Account, which may be known by the names given below or any other name determined by the Trustee from time to time:

- (a) Cash;
- (b) Conservative;
- (c) Balanced; and
- (d) High Growth.

### **4. Selection of Investment Option**

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- (a) An MIC Member may by notice in writing to the Trustee in a form approved by the Trustee select one or more Investment Options to apply to all or a nominated proportion of his or her MIC Member Account and/or amounts to be contributed to his or her MIC Member Account.
- (b) Where an MIC Member selects one or more Investment Options under Rule 4(a), all or such proportion of his or her MIC Account Balance as nominated by the MIC Member will be invested in the selected Investment Options with effect from a date determined by the Trustee in its absolute discretion following validation and processing of the MIC Member's notice.
- (c) If an MIC Member has not selected an Investment Option under Rule 4(a), the following shall apply in respect of that MIC Member:
  - (i) where the MIC Member had an MIC Member Account Balance on 1 July 2017:
    - (A) the MIC Member Account Balance of that MIC Member as at that date (and any future accretions or reductions to that balance) will be retained in the Investment Option in which that balance was invested as at that date (with, in accordance with Rule 6, the previous 'Cash Return Investment Option' being treated as the Cash Investment Option under these Rules and the previous 'Market Return Investment Option' being treated as the Balanced Investment Option under these Rules for these purposes); and
    - (B) the MIC Member will be deemed to have selected the Default Investment Option to apply to any future contributions made by or in respect of the MIC Member to his or her MIC Member Account Balance after that date; and
  - (ii) otherwise and subject to rule 5, the MIC Member will be deemed to have selected the Default Investment Option to apply to all of his or her MIC Member Account balance (and any future contributions) on the date on which an MIC Member Account is first established by the Trustee in respect of the MIC Member,

in each case, until and unless the MIC Member makes an effective selection of one or more Investment Options under Rule 4(a).

- (d) No maximum or minimum requirements apply to the MIC Member Account Balance or the amount invested in an Investment Option in respect of any MIC Member.
- (e) As at the date of these Rules, the Default Investment Option for all MIC Members is the Balanced Investment Option.

## 5. Compulsory Transfers to Rollover Accounts for Employee and Spouse members

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- (a) In relation to the DB Component portion of the benefit of a former Employee Member that is transferred or credited (as the case may be) to a new or existing Rollover Account pursuant to:

- (i) the Trustee's exercise of discretion under clause 10.2(a)(iii) of the Trust Deed; or
- (ii) the relevant Member's request under clause 10.3 of the Trust Deed (in each case, the **Transferred DB Component**),

if, on the date on which the Transferred DB Component is first transferred or credited (as the case may be) by the Trustee to the Rollover Account, the Member has not selected an Investment Option under Rule 4(a) in respect of the Transferred DB Component, the Member will be deemed to have selected the Default Investment Option to apply to all of his or her Transferred DB Component (and, subject to Rule 5(c) which shall prevail over this Rule 5(a) in respect of the payment of any future contributions where an Investment Option has been selected in respect of the Accumulation Component portion of the benefit of the Member, any future contributions) on and from that date, until and unless the Member makes an effective selection of one or more Investment Options under Rule 4(a) in respect of the Transferred DB Component.

- (b) In relation to the benefit of a Spouse Member that is transferred or credited (as the case may be) to a new or existing Rollover Account pursuant to:

- (i) the Trustee's exercise of discretion under clause 10.2(a)(iii) of the Trust Deed; or
- (ii) the relevant Member's request under clause 10.3 of the Trust Deed (in each case, the **Transferred Spouse Benefit**),

if, on the date on which the Transferred Spouse Benefit is first transferred or credited (as the case may be) by the Trustee to the Rollover Account, the Member has not selected or been deemed to have selected an Investment Option under Rule 4(a) in respect of the Transferred Spouse Benefit, the Member will be deemed to have selected the Default Investment Option to apply to all of his or her Transferred Spouse Benefit on and from that date, until and unless the Member makes an effective selection of one or more Investment Options under Rule 4(a) in respect of the Transferred Spouse Benefit.

- (c) For the avoidance of doubt, nothing in this Rule 5 affects any Investment Option selection(s) under Rule 4(a) (as amended from time to time in accordance with Rule 6) of the relevant MIC Member in respect of the Accumulation Component portion of the benefit, or the Transferred Spouse Benefit (as the case may be) of that MIC Member (which Investment Option selection(s) will also apply to all future contributions made by or in respect of that MIC Member).

## **6. Changing Investment Options**

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- (a) An MIC Member may by notice in writing to the Trustee in a form approved by the Trustee change his or her selected Investment Option, or the proportion of his or her MIC Member Account Balance that is invested in one or more Investment Options and/or in which amounts to be contributed are to be invested. Such change will take effect from a date determined by the Trustee in its absolute discretion following validation and processing of the MIC Member's notice.
- (b) The Trustee will provide written confirmation to the MIC Member acknowledging receipt of a notice provided under Rule 6(a) and confirming the date on which the change will take effect.
- (c) If an MIC Member changes his or her selected Investment Options under Rule 6(a), the transaction costs, if any, incurred in giving effect to that change may be deducted from the MIC Member's Account if determined by the Trustee in its absolute discretion.
- (d) Upon the Trustee receiving notice of an MIC Member's death after the effective date of these Rules, the proportion of the member's MIC Member Account then allocated to each Investment Option will be re-allocated to the 'Cash Investment Option'. Such change will take effect from a date determined in accordance with the Crediting Rate Policy and Procedures. For the avoidance of doubt, a MIC Member's Account will not be re-allocated to the 'Cash Investment Option' in the event of a MIC Member suffering Total and Permanent Disablement or a Terminal Medical Condition.

## **7. Treatment of insured benefits**

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- (a) In the event that an Insurer pays an insured benefit to, or in respect of, an MIC Member, the Trustee shall invest that insured benefit in the Cash Investment Option, notwithstanding that the MIC Member has selected, or been deemed to have selected, an Investment Option under Rule 4(a) to apply to his or her MIC Member Account.
- (b) For the avoidance of doubt, the MIC Member, or his or her Beneficiary (as applicable), may change the Investment Option applying to that insured benefit by notice in accordance with Rule 6.

## **8. Transitional rule in relation to historic Investment Options**

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Prior to the amendments to these Rules which took effect from 1 July 2017, these Rules provided for two Investment Options – a 'Cash Return Investment Option' and a 'Market Return Investment Option'. Accordingly, for the purposes of these Rules (including, without limitation, Rule 4), the Trustee shall:

- (a) treat the Cash Investment Option provided for under these Rules as being a continuation of the 'Cash Return Investment Option' provided for under the Rules applying prior to 1 July 2017 (which, for the avoidance of doubt, means that an MIC Member who had, prior to that date, selected, or had been deemed to have selected, the 'Cash Return Investment Option' will be deemed to have selected the Cash Investment Option under these Rules); and
- (b) treat the Balanced Investment Option provided for under these Rules as being a continuation of the 'Market Return Investment Option' provided for under the Rules applying prior to 1 July 2017 (which, for the avoidance of doubt, means that an MIC Member who had, prior to that date, selected, or had been deemed to have selected, the 'Market Return Investment Option' will be deemed to have selected the Balanced Investment Option under these Rules).

## **9. Amendment to Rules**

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These Rules may be amended by the Trustee by resolution at any time and from time to time.

## **10. Application of Superannuation Law**

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These Rules are subject to the provisions of the Trust Deed and Rules relating to the Fund and any requirement or provision of Superannuation Law relating to the making of a choice of investment strategies available to Members of the Fund, and to the extent of any inconsistency, the provisions of the Trust Deed and Rules and the requirements or provisions of Superannuation Law prevail.