



# SUPER SA

contributing to your future

Dear Member,

## Significant Event Notice: Updates to investment strategies and options

At Super SA, we regularly review the investment strategies and options available to you as a member of the Lump Sum scheme. We do this to ensure they reflect important shifts in investment markets and the superannuation sector.

These 2019 updates, which will be progressed commencing 22 August 2019, are the result of a rigorous review conducted in conjunction with the investment manager, Funds SA, and with specialist investment consultant, JANA.

Full details of these updates are included in the document we've provided for you. I encourage you to read through it as this is a great time to review your investment option and make sure your super is invested in line with what's right for you. There are several resources at hand to help you with this – all detailed in the document.

If you are comfortable with the changes outlined (as they apply to the option that your member component is currently invested in), you do not need to take any further action.

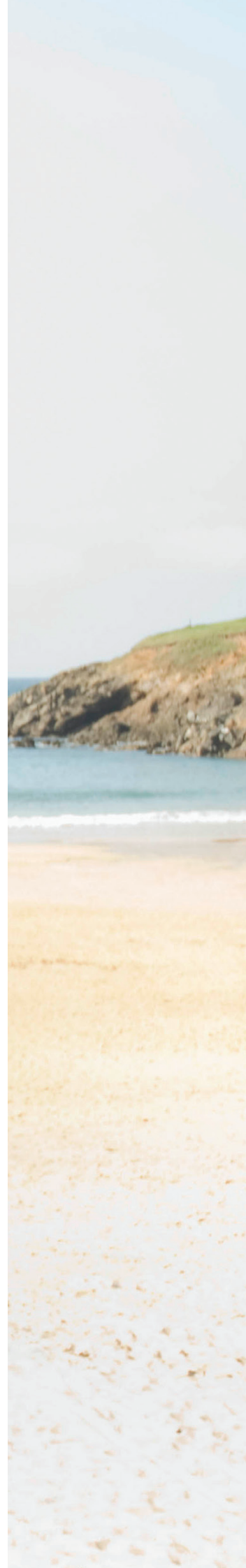
If you have any questions, we're here to help. Either email us at [supersa@sa.gov.au](mailto:supersa@sa.gov.au) or call us on 08 8207 2094.

Yours sincerely,

Dascia Bennett  
**Chief Executive**

### What do I need to do?

- We encourage you to review the enclosed details and satisfy yourself that this is right for you.
- For general information about the updates, either email us at [supersa@sa.gov.au](mailto:supersa@sa.gov.au) or call us on 08 8207 2094.
- For personal advice about how these changes may affect your investment strategy, we encourage you to speak to your licensed financial adviser; or take advantage of the commission-free service available through Industry Fund Services (IFS). To make an appointment, call IFS on 1300 162 348.



# Lump Sum Scheme

SIGNIFICANT EVENT NOTICE

Updates to investment strategies and options

IMPLEMENTATION TO COMMENCE 22 AUGUST 2019



**SUPER SA**  
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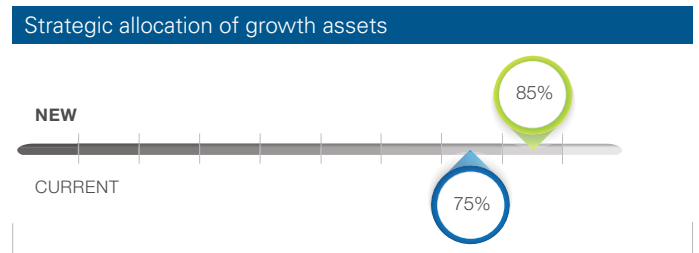
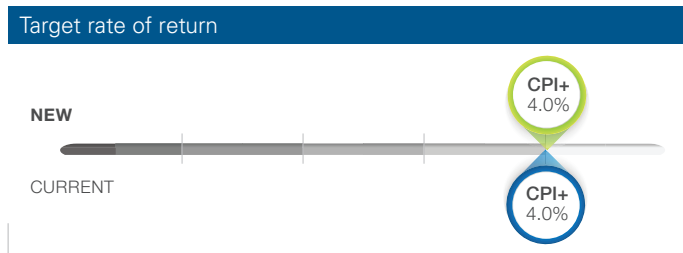
# Investment option updates

Our review has led to changes in seven of the eight investment options in which the member component of your super may be invested. These changes, detailed below, reflect shifts within investment markets and the superannuation sector. Please note that these updates do not relate to the employer component of your super which is not changing.

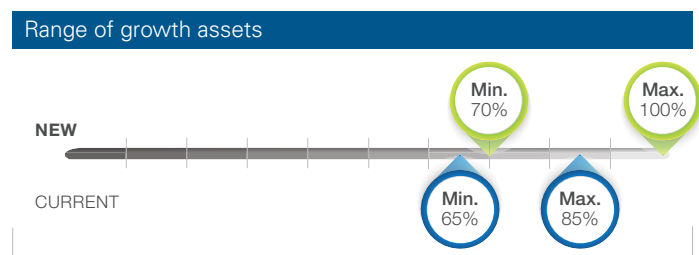
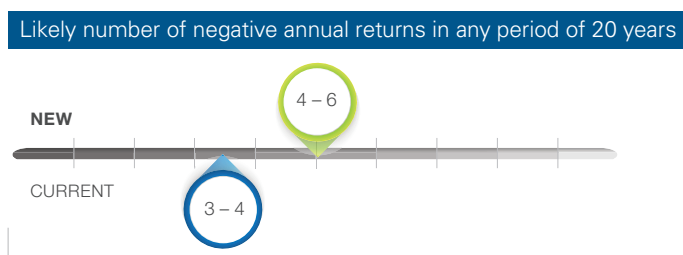
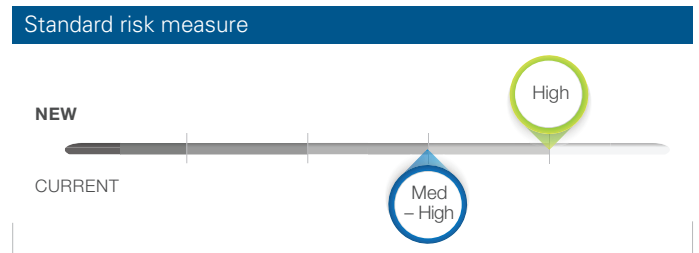
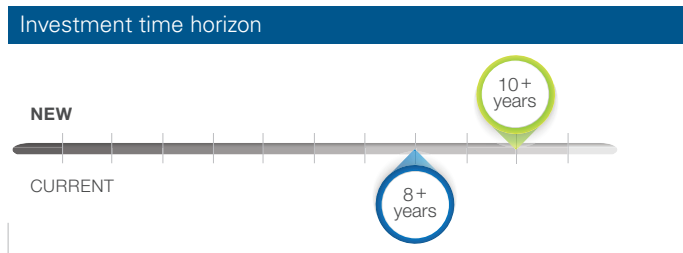
## ○ Growth option [default]

The updated target characteristics of the Growth option are set out below.

This is the **default** option for the member component of Lump Sum Scheme members on commencement of membership.

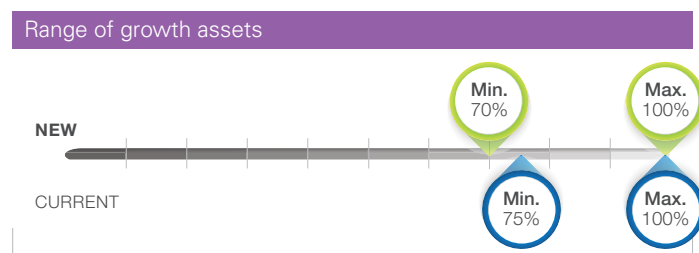


These updates will affect key characteristics of the Growth option as shown below.



## ○ High Growth option

No changes will be made to this option other than the range of growth assets compared to defensive assets. This will change as shown below.

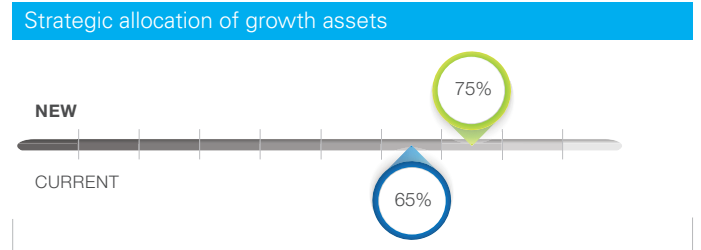


## ○ Socially Responsible option

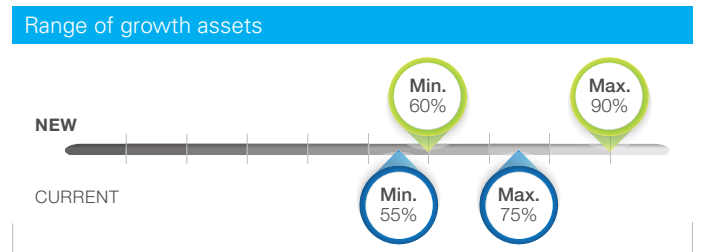
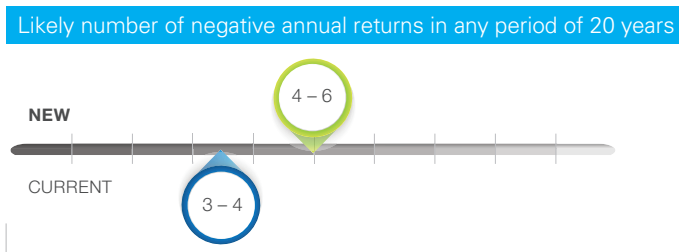
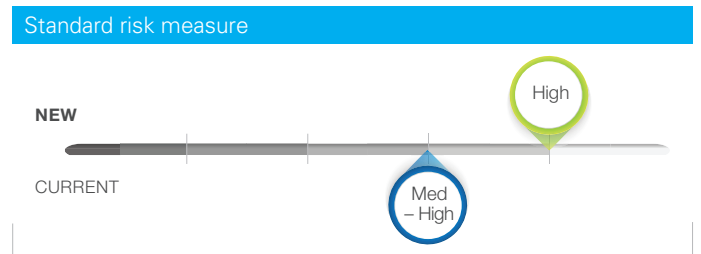
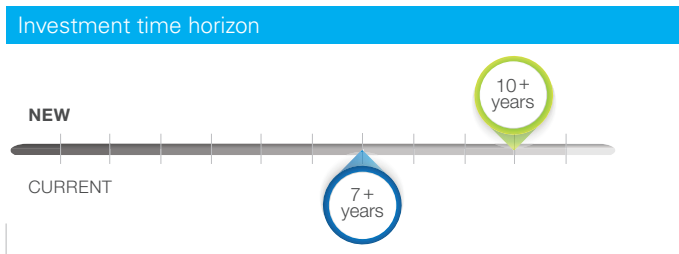
The Socially Responsible investment option will remain unchanged.

## ○ Balanced option

The updated target characteristics of the Balanced option are set out below.

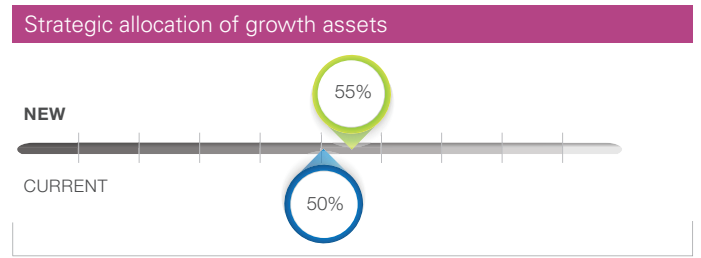
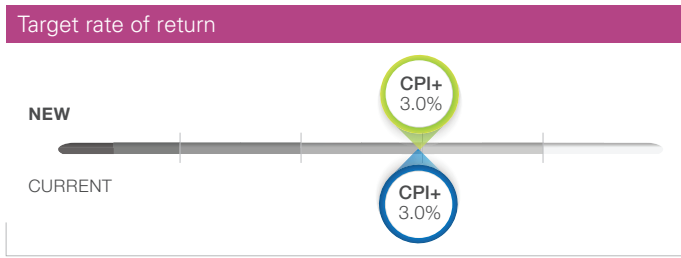


These updates will affect key characteristics of the Balanced option as shown below.

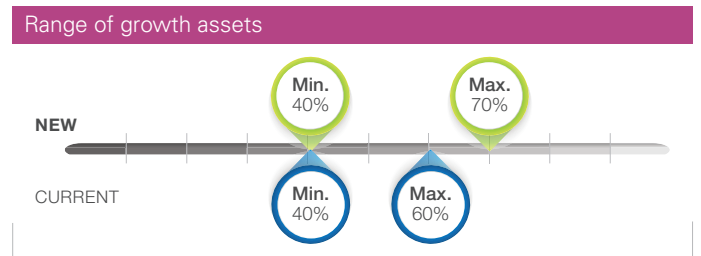
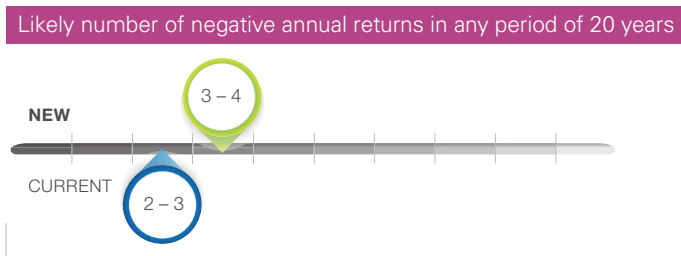
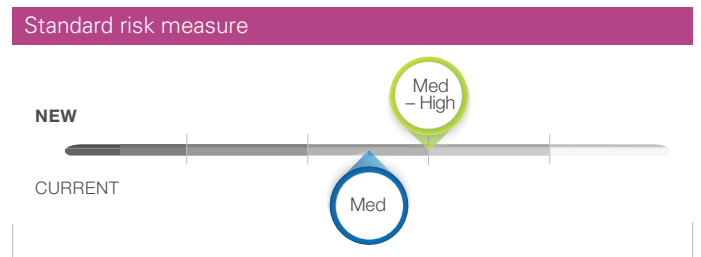
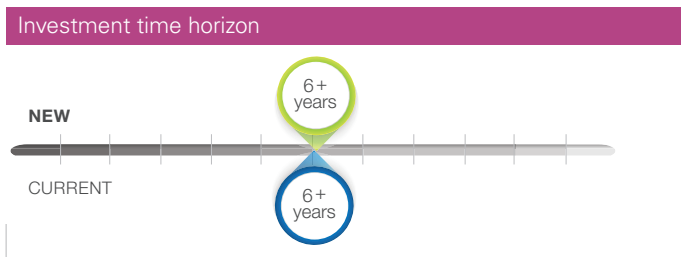


## ○ Moderate option

The updated target characteristics of the Moderate option are set out below.

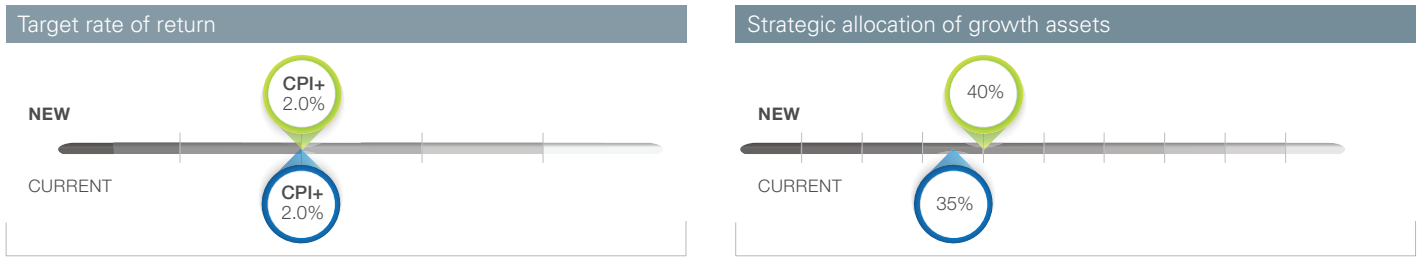


These updates will affect key characteristics of the Moderate option as shown below.



## ○ Conservative option

The updated target characteristics of the Conservative option are set out below.

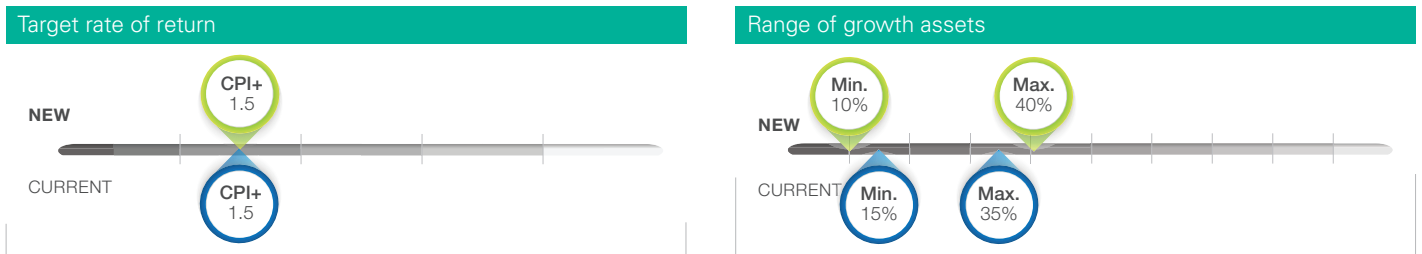


These updates will affect key characteristics of the Conservative option as shown below.



## ○ Capital Defensive option

No changes will be made to this option other than the range of growth assets compared to defensive assets. This will change as shown below.



## ○ Cash option

The only change to this option is the wording used to define the target return. The current wording of 'Maintain the value of capital' is being changed to 'Reserve Bank of Australia cash rate'.



## What do these updates mean for me?

What these updates mean for you will depend on whether the new risk levels of the investment options you have your money in are in line with your investor profile. If you are comfortable with the changes outlined (as they apply to the option that your member component is currently invested in), you do not need to take any further action. If not, then you can easily switch your money into an investment option that is more suitable for you.

There are some excellent resources on hand to help you with this. Check out our 'What type of investor am I?' calculator, the Lump Sum PDS and Investment Choice fact sheet available from 22 August 2019 at [supersa.sa.gov.au](http://supersa.sa.gov.au). Before making any decisions, we strongly recommend that you speak to a licensed financial adviser. If you don't already have one you can take advantage of the commission-free service available through Industry Fund Services (IFS). To make an appointment, call them on 1300 162 348.

**To illustrate this, here are two examples<sup>1</sup>:**

**EXAMPLE 1.** Louise is 43 and her member component is in the Balanced option. She is now concerned that the new higher risk level of the Balanced option won't be right for her. She consults a financial adviser who recommends that, primarily because she has such a long time horizon – more than 20 years – she should actually take on more risk and move her member component to the Growth option.

**EXAMPLE 2.** Marco is 57 and has his member component in the Growth option. As he wants to keep building up his super in the lead up to retirement and he is comfortable with the new level of risk in the Growth option, he decides to leave it as is.

## When do these updates come into effect?

These changes will be progressed commencing 22 August 2019. From this date, Funds SA will manage the investment options within the new ranges of growth assets compared to defensive assets. When appropriate market conditions prevail, Funds SA will increase the growth asset allocation towards the new target for each investment option, however this may be implemented over multiple years given the nature of investment markets. The actual asset allocation for each investment option is disclosed on the Super SA website on a monthly basis to assist members in keeping track of their investments.

<sup>1</sup> These examples are intended to be a general illustration only of the impact of the investment option updates. The information in the examples is not a substitute for personal advice from a licenced financial adviser and should not be relied upon as the sole basis for you to switch your investment options. Super SA will not be liable for any loss or damage caused by reliance on the information contained therein. It is important to remember that past performance should not be taken as an indication of future performance.

## Why are we making these changes?

At Super SA, we regularly review the investment strategies and options available to you as a member of the Lump Sum scheme. We do this to ensure they reflect important shifts in investment markets and the superannuation sector.

These 2019 updates are the result of a rigorous review conducted in conjunction with the investment manager, Funds SA and with specialist investment consultant, JANA.

## What will this mean for fees?

Our aim is to deliver competitive fees and these changes, as well as a number of other initiatives, are under way to achieve this.

The cost of investment management is incorporated in the Indirect Cost Ratios (ICRs), which are deducted from investment returns before unit prices are applied to individual account balances.

Investment management costs vary across investment options due to a number of factors. These include asset allocations, growth in funds under management, changes to investment manager line-ups, changes to fee schedules, performance fees and transactional and operational costs being different to expectations.

Further information regarding fees is outlined in the Lump Sum PDS and Fees fact sheet available at [supersa.sa.gov.au](http://supersa.sa.gov.au).





# Strategic asset allocation updates

The tables below detail the asset allocation changes to be made, by asset class.

## ○ Growth

Asset class	Current (%)	New (%)	New Range (%)
Australian Equities	19	24	10-40
International Equities	29	36	20-50
Property	14	16	5-30
Diversified Strategies Growth	10	10	0-20
Diversified Strategies Income	16	12	0-25
Inflation Linked Securities	6	0	0-10
Fixed Interest	4	0	0-15
Cash	2	2	0-20

## ○ Socially Responsible

Asset class	NO CHANGE	
	Current (%)	Range (%)
Australian Equities	25	15-40
International Equities	33	15-40
Property	9	0-20
Alternatives	6	0-13
Fixed Interest	25	0-45
Cash	2	0-20

The Socially Responsible option invests through the Responsible Investment Leaders Balanced Fund, managed by AMP Capital.

## ○ High Growth

Asset class	NO CHANGE	NEW
	Current (%)	Range (%)
Australian Equities	24	10-40
International Equities	36	20-50
Property	16	5-30
Diversified Strategies Growth	10	0-20
Diversified Strategies Income	12	0-25
Inflation Linked Securities	0	0-10
Fixed Interest	0	0-15
Cash	2	0-20

## ○ Balanced

Asset class	Current (%)	New (%)	New Range (%)
Australian Equities	17	23	10-40
International Equities	25	33	20-45
Property	12	12	0-25
Diversified Strategies Growth	8	8	0-20
Diversified Strategies Income	16	8	0-20
Inflation Linked Securities	9	5	0-15
Fixed Interest	11	8	0-25
Cash	2	3	0-20

# Strategic asset allocation updates (contd.)

## ○ Moderate

Asset class	Current (%)	New (%)	New Range (%)
Australian Equities	13	16	5-30
International Equities	19	22	10-35
Property	10	10	0-20
Diversified Strategies Growth	5	5	0-15
Diversified Strategies Income	17	12	0-25
Inflation Linked Securities	12	11	0-25
Fixed Interest	16	16	0-30
Cash	8	8	0-20

## ○ Capital Defensive

	NO CHANGE	NEW
Asset class	Current (%)	Range (%)
Australian Equities	5	0-15
International Equities	7	0-20
Property	6	0-20
Diversified Strategies Growth	0	n/a
Diversified Strategies Income	17	5-30
Inflation Linked Securities	15	5-25
Fixed Interest	35	20-55
Cash	15	0-25

## ○ Conservative

Asset class	Current (%)	New (%)	New Range (%)
Australian Equities	10	10	0-20
International Equities	14	15	5-25
Property	9	9	0-20
Diversified Strategies Growth	0	0	n/a
Diversified Strategies Income	18	18	5-30
Inflation Linked Securities	16	15	5-25
Fixed Interest	23	23	10-45
Cash	10	10	0-20

## ○ Cash

	NO CHANGE
Asset class	Current (%)
Cash	100

For each investment option, the asset allocation will vary within the individual asset class ranges shown, in response to changes in the investment market environment; as will the overall allocation to growth assets and defensive assets. We reserve the right to vary the asset allocation, including the target and ranges, of all or any of the investment options.

# Any questions?

We're here for you. If you have any questions, please contact our Member Services Team:

- Email us at [supersa@sa.gov.au](mailto:supersa@sa.gov.au)
- Call us on **08 8207 2094**



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