

# SIGNIFICANT<sup>+</sup> EVENT NOTICE



SIGNIFICANT EVENT NOTICE (SEN)

22 AUGUST 2017

We have made changes to the following effective 29 September 2017:

1. Investment sector names
2. Investment performance objectives
3. Asset allocations
4. Fees and costs – the way they are disclosed.  
Please note, no additional fees or costs will be charged to you.

## 1. INVESTMENT SECTOR NAMES

To provide a clearer understanding of our investment sectors, we have made the following name changes:

Current sector name	New sector name
Defensive alternatives	Bond alternatives
Fixed interest yield	Corporate bonds
Fixed interest duration	Government bonds
Property (direct)	Property income

We have introduced a new sector for the Socially Responsible Diversified investment option:

- Social impact bonds

These new sector names will be reflected in the following pages.

## 2. INVESTMENT PERFORMANCE OBJECTIVES

We have made some changes to the investment performance objectives for the Diversified Bonds investment option.

The investment performance objective of our investment options represent the targeted long term return after fees and taxes have been paid.

Investment option	Investment performance objective
Diversified Bonds	1% above CPI over rolling 3 year periods

Please note, we are required by law to set objectives and they are not a guarantee of future investment returns.

## 3. ASSET ALLOCATIONS

The Strategic Asset Allocation (SAA) is the investment option's long term asset allocation target. Asset allocations can be adjusted in accordance with the Dynamic Asset Allocation (DAA) ranges.

Changes to the strategic and dynamic asset allocation ranges have been made for some investment options for NGS *Accumulation*, *Transition to retirement* and *Income* accounts, effective 29 September 2017. These changes are highlighted in the tables on the following pages.

### More information:

An updated *Product Disclosure Statement* with accompanying fact sheets and guides will be available 29 September 2017. This will provide further information on fees and the investment options.

Please call us on **1300 133 177** Monday to Friday 8.00am – 8.00pm (AEST or AEDT) if you would like to speak with us about these changes or if you have others questions regarding your super.

## ASSET ALLOCATION CHANGES – ACCUMULATION, TRANSITION TO RETIREMENT AND INCOME ACCOUNT

The following investment options have had changes made to the Strategic Asset Allocation (SAA) and Dynamic Asset Allocation (DAA) ranges, where highlighted.

### Pre-mixed options Accumulation, Transition to Retirement and Income accounts

	Diversified / Diversified (MySuper)		High Growth	
	SAA (%)	DAA RANGE (%)	SAA (%)	DAA RANGE (%)
Australian shares	25	15 – 40	31.5	20 – 45
International shares	25	15 – 40	31.5	20 – 45
Infrastructure	10	0 – 20	9	0 – 15
Growth alternatives	8	0 – 20	4	0 – 10
<b>Total growth assets</b>	<b>68</b>	<b>55 – 85</b>	<b>76</b>	<b>70 – 95</b>
Government bonds	10	0 – 20	4	0 – 15
Corporate bonds	5	0 – 20	4	0 – 15
Property income	10	0 – 20	9	0 – 20
Bond alternatives	4	0 – 20	6	0 – 10
Cash and Term deposits	3	0 – 25	1	0 – 20
<b>Total defensive assets</b>	<b>32</b>	<b>15 – 45</b>	<b>24</b>	<b>5 – 30</b>
<b>Foreign currency</b>	<b>15</b>	<b>0 – 40</b>	<b>20</b>	<b>0 – 55</b>

	Balanced		Defensive	
	SAA (%)	DAA RANGE (%)	SAA (%)	DAA RANGE (%)
Australian shares	18	10 – 30	12	0 – 20
International shares	18	10 – 30	12	0 – 20
Infrastructure	10	0 – 20	10	0 – 20
Growth alternatives	4	0 – 10	3	0 – 15
<b>Total growth assets</b>	<b>50</b>	<b>35 – 65</b>	<b>37</b>	<b>15 – 50</b>
Government bonds	13	0 – 20	13	5 – 35
Corporate bonds	7	0 – 20	9	0 – 30
Property income	10	0 – 20	16	0 – 30
Bonds alternatives	4	0 – 10	5	0 – 20
Cash and Term deposits	16	0 – 30	20	5 – 35
<b>Total defensive assets</b>	<b>50</b>	<b>35 – 65</b>	<b>63</b>	<b>50 – 85</b>
<b>Foreign currency</b>	<b>9</b>	<b>0 – 40</b>	<b>7</b>	<b>0 – 20</b>

**Pre-mixed options Accumulation, Transition to Retirement and Income accounts (continued)**

	Socially Responsible Diversified	
	SAA (%)	DAA RANGE (%)
Australian shares	23	10 – 30
International shares	23	10 – 30
Infrastructure	10	0 – 20
Growth alternatives	4.5	0 – 10
<b>Total growth assets</b>	<b>60.5</b>	<b>45 – 75</b>
Government bonds	7.5	0 – 20
Corporate bonds	5	0 – 20
Property income	15	0 – 30
Bond alternatives	2	0 – 10
Cash and Term deposits	7	0 – 20
Social impact bonds	3	0 – 10
<b>Total defensive assets</b>	<b>39.5</b>	<b>25 – 55</b>
<b>Foreign currency</b>	<b>13</b>	<b>0 – 40</b>

	Indexed Growth	
	SAA (%)	DAA RANGE (%)
Australian shares	27.5	15 – 40
International shares	27.5	15 – 40
Property (Listed)	6	0 – 20
Infrastructure (Listed)	6	0 – 20
Growth alternatives	0	0 – 10
<b>Total growth assets</b>	<b>67</b>	<b>50 – 80</b>
Government bonds	28	0 – 40
Corporate bonds	0	0 – 15
Bond alternatives	0	0 – 10
Cash and Term deposits	5	0 – 20
<b>Total defensive assets</b>	<b>33</b>	<b>20 – 50</b>
<b>Foreign currency</b>	<b>18</b>	<b>0 – 50</b>

	Shares Plus	
	SAA (%)	DAA RANGE (%)
Australian shares	49.5	35 – 65
International shares	49.5	35 – 65
Property (Listed)	–	–
Infrastructure (Listed)	–	–
Growth alternatives	0	0 – 10
<b>Total growth assets</b>	<b>99</b>	<b>85 – 100</b>
Government bonds	–	–
Corporate bonds	–	–
Bond alternatives	–	–
Cash and Term deposits	1	0 – 10
<b>Total defensive assets</b>	<b>1</b>	<b>0 – 15</b>
<b>Foreign currency</b>	<b>20</b>	<b>0 – 60</b>

## Sector-specific options *Accumulation, Transition to Retirement and Income accounts*

	Cash and Term Deposits	
	SAA (%)	DAA RANGE (%)
<b>Total growth assets</b>	<b>0</b>	<b>0</b>
Cash	20	0 – 100
Term deposits	80	0 – 100
<b>Total defensive assets</b>	<b>100</b>	<b>100</b>
<b>Foreign currency</b>	<b>0</b>	<b>0 – 0</b>

	Australian Shares	
	SAA (%)	DAA RANGE (%)
Australian shares	100	90 – 100
International shares	–	–
<b>Total growth assets</b>	<b>100</b>	<b>90 – 100</b>
Cash and Term deposits	0	0 – 10
<b>Total defensive assets</b>	<b>0</b>	<b>0 – 10</b>
<b>Foreign currency</b>	<b>–</b>	<b>–</b>

	International Shares	
	SAA (%)	DAA RANGE (%)
Australian shares	–	–
International shares	100	90 – 100
<b>Total growth assets</b>	<b>100</b>	<b>90 – 100</b>
Cash and Term deposits	0	0 – 10
<b>Total defensive assets</b>	<b>0</b>	<b>0 – 10</b>
<b>Foreign currency</b>	<b>100</b>	<b>0 – 100</b>

	Diversified Bonds	
	SAA (%)	DAA RANGE (%)
Listed property	–	–
<b>Total growth assets</b>	<b>–</b>	<b>–</b>
Government bonds	35	0 – 50
Corporate bonds	40	0 – 60
Property income	–	–
Bond alternatives	10	0 – 20
Cash and Term deposits	15	0 – 30
<b>Total defensive assets</b>	<b>100</b>	<b>100</b>
<b>Foreign currency</b>	<b>0</b>	<b>0 – 20</b>

	Property	
	SAA (%)	DAA RANGE (%)
Listed property	10	0 – 30
<b>Total growth assets</b>	<b>10</b>	<b>0 – 30</b>
Government bonds	–	–
Corporate bonds	–	–
Property income	85	50 – 100
Bond alternatives	–	–
Cash and Term deposits	5	0 – 30
<b>Total defensive assets</b>	<b>90</b>	<b>70 – 100</b>
<b>Foreign currency</b>	<b>–</b>	<b>–</b>

## Pre-mixed options *Income account only*

	Moderate Growth (Income account default)	
	SAA (%)	DAA RANGE (%)
Australian shares	24	15 – 35
International shares	24	15 – 35
Infrastructure	10	0 – 20
Growth alternatives	2	0 – 10
<b>Total growth assets</b>	<b>60</b>	<b>50 – 80</b>
Government bonds	13	0 – 25
Corporate bonds	7	0 – 15
Property income	10	0 – 20
Bond alternatives	5	0 – 10
Cash and Term deposits	5	0 – 25
<b>Total defensive assets</b>	<b>40</b>	<b>20 – 50</b>
<b>Foreign currency</b>	<b>14</b>	<b>0 – 40</b>

	Retire Plus (Income account only)	
	SAA (%)	DAA RANGE (%)
Australian shares	23	5 – 40
International shares	12	0 – 40
Infrastructure	22	0 – 40
Growth alternatives	2	0 – 10
<b>Total growth assets</b>	<b>59</b>	<b>45 – 70</b>
Corporate bonds	4	0 – 20
Government bonds	9	0 – 20
Property income	22	0 – 40
Bond alternatives	4	0 – 10
Cash and Term deposits	2	0 – 10
<b>Total defensive assets</b>	<b>41</b>	<b>30 – 65</b>
<b>Foreign currency</b>	<b>9</b>	<b>0 – 30</b>

## 4. FEES AND COSTS – CHANGES TO THE WAY WE PRESENT THESE TO YOU

The way fees and costs are presented to you is changing and this is intended to provide you with more details on the costs of investing. It is important to note that **no additional fees will be paid by you.**

### What's changing

New regulatory guidelines require that we gradually change the way fees and costs are displayed in our *Accumulation*, *Transition to retirement* and *Income account*:

- Product Disclosure Statement (from 29 September 2017);
- Annual Statements; and
- Exit Statements.

Whilst there will be some changes to the amounts of fees and costs stated in the above documents, it is important to note that:

- **you won't pay any extra**, as there are no new fees or costs; and
- **your earnings with us will not be affected**, as the way we calculate the unit price of each investment option and annual earnings has not changed.

### Why are we changing?

New regulatory guidelines require all super funds to disclose **all** the costs of investing. We have previously provided Indirect costs (of investing) in:

- your Annual Statement
- in the Product Disclosure Statement (PDS) in the fee table.

These fees included the Management fee and the Performance fee to the investment managers.

More details of the new disclosed costs will be available in the *Fees, costs and tax fact sheet* available from 29 September 2017 in the Additional explanation of fees and costs section. This will include details about transactional and operational costs incurred when assets are bought or sold. Transaction costs include brokerage; settlement costs; clearing costs; stamp duty; legal and other professional costs; tax; and due diligence costs.

Indirect costs are deducted from the unit price of your investment option(s) and are reflected in the change in value of the unit price.

The fee table in our *Product Disclosure Statement* and *Fees, costs and tax fact sheet* available from 29 September 2017, will reflect the new required disclosure details. It is important to note that **no additional fees are payable** by you, simply we are providing more details about the costs of investing.

## The new table of Fees and costs

Fees and costs can be paid either directly from your account or deducted from your investment returns.

The below table displays an increase in the Indirect Cost ratio row. Please note, this is not a new fee and does not change your earnings within your account. The current and new Indirect Cost Ratio for each investment option can be viewed in the opposite column.


For *Accumulation and Transition to retirement account – Diversified (MySuper)* investment option

Type of fee	Amount	How and when paid
<b>Investment fee</b>	Nil	N/A
<b>Administration fee</b>	\$1.25 per week  <b>PLUS</b> 0.10% p.a. of your account balance, capped at \$500 p.a. <sup>1</sup>	Deducted from your account balance weekly.  Deducted weekly <b>before</b> the unit price is determined. It is not a direct charge to your account.
<b>Buy-sell spread</b>	Nil	N/A
<b>Switching fee</b>	One free investment change each financial year. Any additional investment change will cost \$30.	Deducted from your account balance at the time of the switch.
<b>Exit fee</b>	\$80 Nil (for <i>Transition to retirement account</i> )	Deducted when a withdrawal is processed.
<b>Advice fees relating to all members investing in Diversified (MySuper) option</b>	Nil <sup>2</sup>	N/A
<b>Other fees and costs</b>	Refer to <i>Fees, Costs and Tax</i> fact sheet and the <i>Insurance Guide</i> at <a href="http://www.ngssuper.com.au/PDS">www.ngssuper.com.au/PDS</a>	
<b>Indirect cost ratio</b>	1.16% of your account balance <sup>3</sup>	Deducted from investment earnings <b>before</b> the unit price is determined. It is not a direct charge to your account.

For *Income account – Moderate Growth* investment option

(Fees are the same as the previous table except for those listed below)

Type of fee	Amount	How and when paid
<b>Exit fee</b>	Nil	N/A
<b>Indirect cost ratio</b>	0.95% of your account balance <sup>4</sup>	Deducted from investment earnings <b>before</b> the unit price is determined. It is not a direct charge to your account.

<sup>1</sup>  If at 30 June you have paid an asset-based fee greater than \$500 since the previous 1 July, a fee rebate will be credited to your account if your account is still open at the time the rebate is to be credited. The rebate will be in the form of additional units.

<sup>2</sup> Comprehensive advice is available for a fee from NGS Financial Planning. You will need to agree to the fee before the personal advice is given and it will be shown in the Statement of Advice you receive. You may choose to have this fee deducted from your NGS Super account for advice relating to your super.

<sup>3</sup> Estimated cost of managing your investment for the Diversified (MySuper) investment option for the 2017/18 financial year.

<sup>4</sup> Estimated cost of managing your investment for the Moderate Growth investment option for the 2017/18 financial year.

## New Indirect Cost Ratio

*Accumulation and Transition to Retirement* investment options

Investment option	Total Indirect Cost Ratio (currently disclosed)	Total Indirect Cost Ratio (from 29 September 2017)
Diversified (MySuper)	0.70%	1.16%
Balanced	0.56%	0.97%
Defensive	0.49%	1.02%
High Growth	0.69%	1.04%
Australian Shares	0.45%	0.75%
Shares Plus	0.65%	0.77%
International Shares	0.53%	0.62%
Diversified Bonds	0.49%	0.48%
Cash and Term Deposits	0.14%	0.15%
Indexed Growth	0.17%	0.29%
Property	0.65%	2.23%
Socially Responsible Diversified	0.79%	1.06%

*Income account* investment options

Investment option	Total Indirect Cost Ratio (currently disclosed)	Total Indirect Cost Ratio (from 29 September 2017)
Diversified	0.70%	1.12%
Balanced	0.56%	0.94%
Defensive	0.49%	1.00%
High Growth	0.69%	0.99%
Australian Shares	0.45%	0.63%
Shares Plus	0.65%	0.70%
International Shares	0.53%	0.62%
Diversified Bonds	0.49%	0.48%
Cash and Term Deposits	0.14%	0.15%
Indexed Growth	0.17%	0.29%
Property	0.65%	2.23%
Socially Responsible Diversified	0.79%	1.02%
Moderate Growth	0.57%	0.95%
Retire Plus	0.67%	0.96%

Please see our fact sheet *Fees, costs and tax* available from 29 September 2017 for more details on the break down of the fees and costs attributable to the Indirect Cost Ratio totals shown on this page.

## How does the new fee table affect your investment with us?

As there are no new fees or costs, your earnings would remain the same under the way we currently present your fees and costs and the way these will be presented from 29 September 2017. The difference is, we are now providing you with more details on the costs of investing.

This means, the unit price for your investment option(s) will not be affected by the disclosing of these Indirect costs, as these costs are already deducted from the unit price of your investment option(s).

Below is an example of our current disclosed fees and the new disclosed fee from 29 September 2017. Please note, the investment earnings remain unchanged and the result is the same for you.

### EXAMPLE – the Diversified (MySuper) investment option

#### Accumulation and Transition to retirement accounts default investment option

	Currently disclosed		Disclosed from 29 September 2017	
	Balance of \$50,000		Balance of \$50,000	
Investment fees	Nil	For every \$50,000 you have in Diversified (MySuper), you will be charged \$0 each year.	Nil	For every \$50,000 you have in Diversified (MySuper), you will be charged \$0 each year.
<b>PLUS</b> Administration fees	\$65 (\$1.25 per week)	And, you will be charged \$65 in administration fees regardless of your balance.	\$65 (\$1.25 per week)	And, you will be charged \$65 in administration fees regardless of your balance.
	<b>PLUS</b> 0.10% p.a. of your account balance capped at \$500 p.a.	<b>PLUS</b> \$50 each year.	<b>PLUS</b> 0.10% p.a. of your account balance capped at \$500 p.a.	<b>PLUS</b> \$50 each year.
<b>PLUS</b> Indirect costs for the Diversified (MySuper) investment option	0.70% p.a.	And, Indirect costs of \$350 each year will be deducted from your investment.	1.16% p.a.	And, Indirect costs of \$580 each year will be deducted from your investment.
<b>EQUALS</b> Cost of Diversified (MySuper) account		If your balance was \$50,000, then for that year you will be charged fees of <b>\$465</b> for the Diversified (MySuper) Account.		If your balance was \$50,000, then for that year you will be charged fees of <b>\$695</b> for the Diversified (MySuper) Account.

## Investment earnings for 2016/2017

<b>Percentage return</b>	10.92%	10.92%
<b>Investment earnings on \$50,000</b>	<b>\$5,460</b>	<b>\$5,460</b>

No additional fees will be charged to your account.

Your investment earnings are not affected by the fee disclosure.



## EXAMPLE – the Moderate Growth investment option

### Income account default investment option

	Currently disclosed		Disclosed from 29 September 2017	
		Balance of \$50,000		Balance of \$50,000
Investment fees	Nil	For every \$50,000 you have in Moderate Growth, you will be charged \$0 each year.	Nil	For every \$50,000 you have in Moderate Growth, you will be charged \$0 each year.
<b>PLUS</b> Administration fees	\$65 (\$1.25 per week)  <b>PLUS</b> 0.10% p.a. of your account balance capped at \$500 p.a.	And, you will be charged \$65 in administration fees regardless of your balance.  <b>PLUS</b> \$50 each year.	\$65 (\$1.25 per week)  <b>PLUS</b> 0.10% p.a. of your account balance capped at \$500 p.a.	And, you will be charged \$65 in administration fees regardless of your balance.  <b>PLUS</b> \$50 each year.
<b>PLUS</b> Indirect costs for the Moderate Growth investment option	0.57% p.a.	And, Indirect costs of \$285 each year will be deducted from your investment.	0.95% p.a.	And, Indirect costs of \$475 each year will be deducted from your investment.
<b>EQUALS</b> Cost of Moderate Growth account		If your balance was \$50,000, then for that year you will be charged fees of <b>\$400</b> for the Moderate Growth Account.		If your balance was \$50,000, then for that year you will be charged fees of <b>\$590</b> for the Moderate Growth Account.

## Investment earnings for 2016/2017

<b>Percentage return</b>	11.48%	11.48%
<b>Investment earnings on \$50,000</b>	<b>\$5,740</b>	<b>\$5,740</b>

No additional fees will be charged to your account.

Your investment earnings are not affected by the fee disclosure.

## More information?

### Contact us

You can contact us at

[www.ngssuper.com.au/contact-us](http://www.ngssuper.com.au/contact-us)

or call us on **1300 133 177** between 8.00am and 8.00pm (AEST or AEDT), Monday to Friday.

Phone number for callers outside Australia **+61 3 8687 1818**

Fax: **(03) 9245 5827**

Postal address  
GPO Box 4303  
MELBOURNE VIC 3001

We can assist you with the advice you need. Whether you have a simple question about super, insurance and retirement or you need advice on your whole financial position.

To make an appointment phone us on **1300 133 177** or complete the *financial planning enquiry* form on our website at [www.ngssuper.com.au/financial-planning](http://www.ngssuper.com.au/financial-planning).

### Important information

The information provided in this fact sheet is general information only and does not take into account your objectives, financial situation or needs. Before making a financial decision, please assess the appropriateness of the information to your individual circumstances and consider seeking professional advice.

NGS Financial Planning Pty Ltd, ABN 89 134 620 518, is a corporate authorised representative #394909 of Guideway Financial Services Pty Ltd, ABN 46 156 498 538, Australian Financial Services Licence (AFSL) No. 420367 and offers financial planning services on behalf of NGS Super ABN 73 549 180 515.

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**1300 133 177**