

SIGNIFICANT EVENT NOTICE

*Some changes you
need to know*

SIGNIFICANT EVENT NOTICE (SEN)

1 MARCH 2021

The following pages
outline important
changes which may
affect your account
with NGS Super.

This notice lists the following changes:

New exclusions for the Socially Responsible Diversified option

- As we continue to integrate Environmental, Social and Governance (ESG) and responsible investment principles into the management of our investment portfolio, we have introduced some additional exclusions for companies that engage in specific industries

Fee and costs

- Updated investment fees and indirect costs

Investment option changes

- Risk of negative return changes
- Investment performance objective change
- Asset allocation changes

New exclusions for the Socially Responsible Diversified option

For many, knowing that their super is invested according to socially responsible values is important and, as a result, we have implemented additional exclusions within the Socially Responsible Diversified (SRD) option. NGS takes a continuous improvement approach to responsible investment. Effective from 1 April 2021, the SRD option plans to strengthen its exclusions of investments in the following:

- fossil fuels
- nuclear power and uranium
- exploitation of human rights
- controversial weapons and armaments
- predatory lending
- gambling
- pornography and adult entertainment
- animal cruelty
- alcohol production and distribution
- tobacco production.

For more information on the above exclusions (including their parameters), please see our **Investment guide** at ngssuper.com.au/PDS after 1 April 2021.

The trustee continues to have absolute discretion to change the underlying managers, socially responsible investment (SRI) considerations and exclusions that are considered in the investment process for the SRD investment option.

Fees and costs

We review and update our estimates of investment fees and costs after taking into account actual fees and costs experienced in the previous financial year. We recently reviewed these fees and costs and have updated them in compliance with the Australian Securities and Investments Commission's Regulatory Guide 97 (RG 97).

The revised estimates will apply from 1 April 2021 which is the issue date of our next Product Disclosure Statement (PDS). In compliance with the new regulatory requirements, the way that we disclose indirect costs (being costs that are not a direct charge to your account) will vary from the way they have been disclosed previously.

Fees and costs can change for many reasons, including:

- changes to the weighting of investments allocated to each investment manager
- the addition of new investments and investment managers to the portfolio.

The primary objective for making changes to our investment portfolio is to seek improved long-term investment performance.

For more information on disclosure of fees and costs under the RG 97 regime, please see our fact sheet **Fees, costs and tax** at ngssuper.com.au/PDS after 1 April 2021.

Fees and costs *(continued)*

Socially Responsible Diversified option

Our review of fees and costs for the Socially Responsible Diversified option has resulted in an increase in estimated fees and costs effective from 1 April 2021. The updated estimates are provided in the table below.

Socially Responsible Diversified option	Current fees and costs estimate			Fees and costs estimate from 1 April 2021		
	Administration fees	Investment fees	Indirect costs	Administration fees and costs	Investment fees and costs	Transaction costs
Accumulation account	\$65 (\$1.25 per week) PLUS 0.10% p.a. of your account balance, capped at \$500 p.a.	0.56% p.a.	0.13% p.a.	\$65 (\$1.25 per week) PLUS 0.10% p.a. of your account balance, capped at \$500 p.a.	0.76% p.a.	0.10% p.a.
Income account	\$65 (\$1.25 per week) PLUS 0.10% p.a. of your account balance, capped at \$500 p.a.	0.54% p.a.	0.15% p.a.	\$65 (\$1.25 per week) PLUS 0.10% p.a. of your account balance, capped at \$500 p.a.	0.76% p.a.	0.10% p.a.

Investment option changes

Risk of negative return changes

We also have a Standard Risk Measure (SRM) for each investment option, measured as the likely number of negative annual returns over a 20-year period. Our recent review has resulted in the SRM being updated for some investment options, as shown in the table below.

Investment option	Current	From 1 April 2021
Moderate Growth (<i>Income account only</i>)	3.5 years in 20	4.1 years in 20
Diversified/Diversified (MySuper)	3.5 years in 20	4.1 years in 20
High Growth	4.0 years in 20	4.6 years in 20
Balanced	2.5 years in 20	3.5 years in 20
Defensive	1.5 years in 20	2.3 years in 20
Socially Responsible Diversified	3.5 years in 20	4.2 years in 20
Indexed Growth	4.5 years in 20	5.1 years in 20
Retire Plus (<i>Income account only</i>)	2.0 years in 20	3.1 years in 20
Shares Plus	6.0 years in 20	6.0 years in 20
Australian Shares	6.5 years in 20	6.9 years in 20
International Shares	6.0 years in 20	5.8 years in 20
Infrastructure	3.0 years in 20	3.5 years in 20
Property	3.0 years in 20	3.7 years in 20
Diversified Bonds	1.0 year in 20	3.0 years in 20
Cash and Term Deposits	Never	Never

Investment performance objective change

We have recently reviewed the performance objectives for each investment option with the changes shown below.

Investment option	Investment performance objective	
	Current	From 1 April 2021
Diversified Bonds	To achieve a net return of 1.0% above CPI per annum over rolling 3-year periods.	To achieve a net return of 0.5% above CPI per annum over rolling 3-year periods.
Cash and Term Deposits	To achieve positive returns in all monthly periods.	To achieve a return that matches or exceeds the RBA cash rate.

Asset allocation changes

Some investment options have had changes made to the Strategic Asset Allocation (SAA) and Dynamic Asset Allocation (DAA) ranges.

Pre-mixed options — Income account only

Asset class	Moderate Growth (Income account default investment option)			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Australian shares	24	15–40	22	15–40
International shares	24	15–40	26	15–40
Infrastructure	10	0–20	10	0–20
Growth alternatives	6	0–15	5	0–15
Property	9	0–20	9	0–20
Bond alternatives	2	0–10	5	0–15
Corporate bonds	7	0–15	7	0–15
Government bonds	13	0–25	5.5	0–25
Cash and term deposits	5	0–25	10.5	0–25
Total growth assets	64.5	50–80	65	50–80
Total defensive assets	35.5	20–50	35	20–50
Foreign currency exposure	14	0–40	14	0–40

Asset class	Retire Plus (Income account only)			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Australian shares	23	5–40	16	5–40
International shares	12	0–40	19	0–40
Infrastructure	22	0–40	22	0–40
Growth alternatives	5	0–10	4	0–10
Property	21.5	0–40	21.5	0–40
Bond alternatives	1.5	0–10	4	0–15
Corporate bonds	4	0–20	4	0–20
Government bonds	9	0–20	4.5	0–20
Cash and term deposits	2	0–20	5	0–25
Total growth assets	62.5	45–75	62.8	45–75
Total defensive assets	37.5	25–55	37.2	25–55
Foreign currency exposure	9	0–30	9	0–30

Pre-mixed options — all accounts

Asset class	Diversified / Diversified (MySuper)			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Australian shares	25	15–40	23	15–40
International shares	25	15–40	27	15–40
Infrastructure	10	0–20	10	0–20
Growth alternatives	10	0–20	8	0–20
Property	9	0–20	9	0–20
Bond alternatives	3	0–20	8	0–20
Corporate bonds	5	0–20	5	0–20
Government bonds	10	0–20	4	0–20
Cash and term deposits	3	0–25	6	0–25
Total growth assets	71	55–85	71.5	55–85
Total defensive assets	29	15–45	28.5	15–45
Foreign currency exposure	15	0–40	15	0–40

Asset class	High Growth			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Australian shares	28	20–45	28	20–45
International shares	28	20–45	32	20–45
Infrastructure	12	0–20	12	0–20
Growth alternatives	20	0–40	13.5	0–40
Property	5	0–20	3.5	0–20
Bond alternatives	2	0–10	8	0–10
Corporate bonds	2	0–15	2	0–15
Government bonds	2	0–15	0	0–15
Cash and term deposits	1	0–20	1	0–20
Total growth assets	85.5	70–95	84.5	70–95
Total defensive assets	14.5	5–30	15.5	5–30
Foreign currency exposure	20	0–55	20	0–55

Pre-mixed options — all accounts *(continued)*

Asset class	Balanced			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Australian shares	18	10–30	16.5	10–30
International shares	18	10–30	19.5	10–30
Infrastructure	10	0–20	10	0–20
Growth alternatives	6	0–10	5	0–10
Property	10	0–20	10	0–20
Bond alternatives	2	0–10	5	0–15
Corporate bonds	7	0–20	7	0–20
Government bonds	13	0–20	7	0–20
Cash and term deposits	16	0–30	20	0–30
Total growth assets	53	35–70	53.5	35–70
Total defensive assets	47	30–65	46.5	30–65
Foreign currency exposure	9	0–40	9	0–40

Asset class	Defensive			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Australian shares	12	0–20	10	0–20
International shares	12	0–20	11	0–20
Infrastructure	10	0–20	10	0–20
Growth alternatives	6	0–15	4	0–15
Property	15.5	0–30	8.5	0–30
Bond alternatives	2.5	0–20	9.5	0–20
Corporate bonds	9	0–30	11	0–30
Government bonds	13	5–35	8	5–35
Cash and term deposits	20	5–35	28	5–35
Total growth assets	44	25–60	39	25–60
Total defensive assets	56	40–75	61	40–75
Foreign currency exposure	7	0–20	7	0–20

Asset class	Socially Responsible Diversified			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Australian shares	25	10–35	23	10–40
International shares	25	10–35	27	10–40
Infrastructure	10	0–20	10	0–20
Listed property	–	–	–	–
Listed infrastructure	–	–	–	–
Growth alternatives	10	0–30	8	0–30
Property	8	0–30	8	0–30
Bond alternatives	2	0–10	6	0–20
Corporate bonds	5	0–20	5	0–20
Government bonds	10	0–20	4	0–30
Cash and term deposits	3	0–20	7	0–25
Social impact bonds	2	0–10	2	0–10
Total growth assets	70	55–85	70	55–85
Total defensive assets	30	15–45	30	15–45
Foreign currency exposure	15	0–40	15	0–40

Asset class	Indexed Growth			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Australian shares	27.5	15–40	25.5	15–40
International shares	27.5	15–40	29.5	15–40
Infrastructure	–	–	–	–
Listed property	9	0–20	9	0–20
Listed infrastructure	9	0–20	9	0–20
Growth alternatives	0	0–10	0	0–10
Property	–	–	–	–
Bond alternatives	0	0–10	0	0–10
Corporate bonds	0	0–15	0	0–15
Government bonds	22	0–40	10	0–40
Cash and term deposits	5	0–20	17	0–20
Social impact bonds	–	–	–	–
Total growth assets	73	55–85	73	55–85
Total defensive assets	27	15–45	27	15–45
Foreign currency exposure	18	0–50	18	0–50

Pre-mixed options — all accounts *(continued)*

Asset class	Shares Plus			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Australian shares	49.5	35–65	45.5	35–65
International shares	49.5	35–65	53.5	35–65
Growth alternatives	0	0–10	0	0–10
Cash and term deposits	1	0–15	1	0–15
Total growth assets	99	85–100	99	85–100
Total defensive assets	1	0–15	1	0–15
Foreign currency exposure	20	0–60	20	0–60

Sector-specific options — all accounts

Asset class	Australian Shares			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Australian shares	100	90–100	100	90–100
International shares	–	–	–	–
Cash and term deposits	0	0–10	0	0–10
Total growth assets	100	90–100	100	90–100
Total defensive assets	0	0–10	0	0–10
Foreign currency exposure	0	0–0	0	0–0

Asset class	International Shares			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Australian shares	–	–	–	–
International shares	100	90–100	100	90–100
Cash and term deposits	0	0–10	0	0–10
Total growth assets	100	90–100	100	90–100
Total defensive assets	0	0–10	0	0–10
Foreign currency exposure	100	0–0	100	0–0

Asset class	Infrastructure			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Unlisted infrastructure	85	50–100	85	50–100
Listed infrastructure	10	0–30	10	0–30
Listed property	–	–	–	–
Property	–	–	–	–
Cash and term deposits	5	0–30	5	0–30
Total growth assets	52.5	35–70	52.5	35–70
Total defensive assets	47.5	30–65	47.5	30–65
Foreign currency exposure	0	0–30	0	0–30

Asset class	Property			
	Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Unlisted infrastructure	–	–	–	–
Listed infrastructure	–	–	–	–
Listed property	10	0–30	10	0–30
Property	85	50–100	85	50–100
Cash and term deposits	5	0–30	5	0–30
Total growth assets	52.5	35–70	52.5	35–70
Total defensive assets	47.5	30–65	47.5	30–65
Foreign currency exposure	0	0–30	0	0–30

Sector-specific options — all accounts (continued)

Asset class	Diversified Bonds				Cash and term deposits			
	Current		From 1 April 2021		Current		From 1 April 2021	
	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)	SAA (%)	DAA range (%)
Bond alternatives	10	0–30	30	0–40	–	–	–	–
Corporate bonds	40	0–60	40	0–60	–	–	–	–
Government bonds	35	0–50	25	0–50	–	–	–	–
Cash and term deposits	15	0–30	5	0–30	100	100	100	100
Total growth assets	5	0–20	15	0–20	0	0–0	0	0–0
Total defensive assets	95	80–100	85	80–100	100	100–100	100	100–100
Foreign currency exposure	0	0–20	0	0–20	0	0–0	0	0–0