

# UNDERSTANDING UNIT PRICING

*Know what your money is worth.*

FACT SHEET

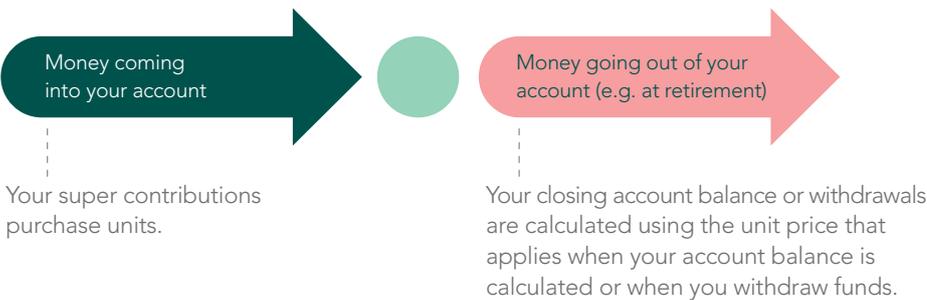
## Unit pricing - a more accurate way to distribute Fund investment earnings.

### Background

When contributions or money transferred from other funds into NGS Super are received into your account they are converted into units. The unit price for each investment option moves up or down, depending on the performance of the underlying investments contained in that investment option.

### How do units work?

The value and price of an investment option's units change when the value of its underlying assets change. Your contributions are converted into units using the unit price that applies when we receive each contribution. When you move money out of that investment option, your units are redeemed at the price that applies when your transaction is processed. This process means Fund earnings can be more accurately allocated to each member.



NGS Super normally sets unit prices each week, so any changes in the value of your investment are allocated to your account each week. This means you can calculate the value of your account balance at any time by multiplying the number of units you hold in a particular investment option by the unit price of that option.

### For example

Jill holds 7,000 units in the Shares Plus investment option, which for illustration purposes was valued at \$2.00. So the value of Jill's Shares Plus units is  $7,000 \times \$2.00 = \$14,000$ .

Until 31 October 2009, NGS Super used two different prices, a buy price and a sell price. This was to account for costs such as brokerage and stamp duty that are sometimes incurred when transactions are processed. These costs are small in relation to the size of the Fund and we no longer account for them by determining separate buy and sell prices.

## When and how unit prices are applied to your account

Under normal circumstances, NGS Super determines its unit prices based on the investment valuations at the close of business on the previous Friday. Unit prices are generally updated on the website on the **following Wednesday**. The timing is subject to the availability of investment valuations and our validation of these details. These unit prices will be used for all employer and employee contributions (and rollovers into the Fund) received from Monday to Friday of that week. Withdrawals from the Fund are calculated using unit prices available at the time the withdrawal is finalised. This timetable may be changed or suspended by the Trustee. This would generally only occur in the event of abnormal circumstances such as a sudden major move in investment markets or during periods of limited availability of data such as the end of the calendar year.

Mon	Tues	Wed	Thur	Fri
Withdrawals use previous week's unit price		Unit price updated. Withdrawals use the unit price determined at COB the previous Friday. <sup>1</sup>		

All employer and employee contributions received during this period will be processed using Monday's unit price.

<sup>1</sup> Updating of unit prices is subject to availability of investment valuations and validation by NGS Super. This may result in unit prices being updated after Wednesday on any given week.

## Unit prices and investment option switches

Any member investment switch application(s) received up to 5pm (AEST/AEDT) on the last business day in any week is processed by applying the unit price applicable at the close of business on the last business day of that week.

You are entitled to one free investment switch of your account balance each financial year, with any additional switch incurring a fee of \$30. You can change where future contributions are directed to at any time without any cost.

## Changing your investment strategy for future contributions

You can change your future contributions investment strategy at any time, and no charge is made for this change. Any member investment switch applications received up to 5pm (AEST/AEDT) on the last business day in any week will be directed to your new investment option choice from the week after your change request is received.

## Making a change to your investment strategy

If you wish to change your investment options with NGS Super, please complete an NGS Super *Investment Switching* form available on our website.

## Important information

Please note that Indices (such as the Dow, FTSE, Nikkei, All Ords et al) are not the basis of the valuation of our unit prices. NGS Super uses active and passive managers. **Active investment management** means that our professional investment managers are making judgments about market movements and acting on those judgments by buying or selling parts of the investment portfolio across a range of asset classes. This provides investment managers with the opportunity to use their judgment to out-perform the market which is often referred to as 'the index'. In contrast, **passive investment management** relies only on market movements for returns and aims to achieve a return that replicates the average market return for a particular index, such as the ASX300. This means that a passive manager is not making the same sorts of decisions about timing or selection of investments as an active manager. A passive manager simply mirrors the weightings of the companies in a selected index.

It is also important to note that many of the NGS Super investment options include asset classes other than shares which is another reason that the NGS investment options will not follow the index.

## Do you need more information?

For more information, please visit [www.ngssuper.com.au](http://www.ngssuper.com.au) and follow the links to our fact sheets or call **1300 133 177** to speak to an NGS Super representative.

## More information?

NGS Super has representatives who can provide you with general advice and explain the options available through NGS Super.

## NGS financial planning service

NGS Super members are also entitled to a free initial consultation for general advice relating to your personal circumstances through our financial planning service. We also offer low fixed fees for financial plans – no hidden costs or commissions.

For further information, or to make an appointment, please call the number below.

## Contact us

**1300 133 177**

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

**Website:** [www.ngssuper.com.au](http://www.ngssuper.com.au)

**Fax:** (03) 9245 5827

## Important information

This is general information only – it does not take into account your objectives, financial situation or needs.

Please assess your own financial situation, read the Product Disclosure Statement for any product you may be thinking of acquiring and consider seeking professional advice before acting on this information.

The NGS financial planning service is offered to members of NGS Super (ABN 73 549 180 515) through an arrangement with Mercer Financial Advice (Australia) Pty Ltd (ABN 76 153 168 293) (MFA) which holds Australian Financial Services Licence No. 411766 authorising the provision of financial advice.

[www.ngssuper.com.au](http://www.ngssuper.com.au)  
**1300 133 177**