

Important change notice



From **1 November 2020**, LGIAsuper is reducing our weekly administration fee. We are changing our investment fees, and for some investment options, we are reducing them. We are making changes to our investment program and insurance cover. We are also reporting to you the higher indirect costs that have already been included in last financial year's returns.

This notice outlines the changes and what they mean for you as an LGIAsuper member.

Changes to our fees

From **1 November 2020**, LGIAsuper are reducing our weekly administration fee from **\$1.50 per week (\$78 per annum)** to **\$1.00 per week (\$52 per annum)** per account.

This is the fee that covers the costs of running your super account throughout the year. This includes processing transactions, telephone support, Member Online, general advice, preparing statements, and sending communications.

In addition to this, the estimated investment fees for all our Ready-made investment options, and some of our Single Asset Class investment options will be changing with some reducing. These are the fees that cover the costs of managing how your super is invested.

The fees for each investment option are listed below. Details of the options(s) that your super balance and future contributions are invested in can be seen by logging into your Member Online account at lgiasuper.com.au.

INVESTMENT OPTION	NEW INVESTMENT FEE FROM 1 NOV 2020 ^{1,3}	NEW ADMINISTRATION FEE FROM 1 NOV 2020 ^{1,2}
MySuper Lifecycle Under 75	0.26% p.a.	0.18% p.a. plus \$52 (\$1.00 per week)
MySuper Lifecycle 75 plus	0.24% p.a.	
Aggressive	0.29% p.a.	
Diversified Growth	0.26% p.a.	
Balanced	0.24% p.a.	
Stable	0.19% p.a.	
Defensive	0.17% p.a.	
International Shares	0.36% p.a.	
Australian Shares	0.34% p.a.	
Property	0.13% p.a.	
Diversified Fixed Interest	0.21% p.a.	
Cash	0.03% p.a.	
Socially Responsible Balanced	0.08% p.a.	
Socially Responsible Australian Shares	0.42% p.a.	

Changes to our investment program

An asset class is a group of investments with similar characteristics such as Australian Shares, Diversified Fixed Interest or Property. A strategic asset allocation is the target percentage for each asset class that makes up a portfolio (investment option).

Investment markets have been significantly impacted by COVID-19 this year. LGIAsuper is working hard to protect our members' savings during the volatility, and to seize investment opportunities as they arise. We are adapting our investment options, to keep a focus on the types of assets where we expect higher returns in a post-COVID-19 world, as well as those that attract lower fees and costs.

LGIAsuper is also committed to providing greater transparency to our members, giving you a better understanding of where your money is invested. So, we are also making changes to our investment program to make the purpose of your assets in your portfolio clearer to you.



What is changing?

From 1 November 2020, we are making the following changes:

- Creating a new asset class, **Private Capital**, for which we expect high returns. Private capital seeks to deliver superior returns by acquiring stakes in private companies and then pursuing an active role in monitoring and advising the companies, improving operational and corporate governance, and then selling after a period of time at a premium.
- Renaming the **Alternatives** asset class to **Diversifying Strategies**, to better reflect the broad range of assets in this class.
- Increasing our investment in **Infrastructure** and **Private Capital** (new asset class) and reducing our investment in **Property**, for most Ready-made investment options.
- Increasing our investment in **Diversified Fixed Interest** and **Cash** and reducing our investment in **Diversifying Strategies** (previously named Alternatives), for most Ready-made investment options. This is expected to result in lower investment fees and costs.
- Increasing our investment in **Australian Shares** and reducing our investment in **International Shares**, for most Ready-made investment options. This is expected to lower our overseas exposure and reduce our investment fees and costs.

Accumulation account MySuper Lifecycle

MySuper Under 75	From 1 Nov 2020		MySuper 75 plus	From 1 Nov 2020	
	SAA %	RANGES %		SAA %	RANGES %
Australian shares	22.5	13-37	Australian shares	13.5	0-27
International shares	27.5	13-37	International shares	16.5	0-27
Private capital	5.0	0-10	Private capital	5.0	0-10
Property	9.0	0-20	Property	9.0	0-20
Infrastructure	11.0	0-20	Infrastructure	11.0	0-20
Diversifying strategies	5.0	0-10	Diversifying strategies	5.0	0-10
Diversified fixed interest	18.0	0-30	Diversified fixed interest	37.0	20-50
Cash	2.0	0-20	Cash	3.0	0-20

Accumulation account Ready-made investment options

Aggressive	From 1 Nov 2020		Diversified Growth	From 1 Nov 2020		Balanced	From 1 Nov 2020	
	SAA %	RANGES %		SAA %	RANGES %		SAA %	RANGES %
Australian shares	30.0	15-45	Australian shares	22.5	13-37	Australian shares	13.5	0-27
International shares	33.0	15-45	International shares	27.5	13-37	International shares	16.5	0-27
Private capital	5.0	0-10	Private capital	5.0	0-10	Private capital	5.0	0-10
Property	9.0	0-20	Property	9.0	0-20	Property	9.0	0-20
Infrastructure	11.0	0-20	Infrastructure	11.0	0-20	Infrastructure	11.0	0-20
Diversifying strategies	10.0	0-20	Diversifying strategies	5.0	0-10	Diversifying strategies	5.0	0-10
Diversified fixed interest	0.0	0-20	Diversified fixed interest	18.0	0-30	Diversified fixed interest	37.0	20-50
Cash	2.0	0-20	Cash	2.0	0-20	Cash	3.0	0-20

Stable	From 1 Nov 2020		Defensive	From 1 Nov 2020	
	SAA %	RANGES %		SAA %	RANGES %
Australian shares	8.0	0-20	Australian shares	3.0	0-15
International shares	12.0	0-20	International shares	4.0	0-15
Private capital	2.0	0-10	Private capital	0.0	0-10
Property	8.0	0-20	Property	5.0	0-15
Infrastructure	10.0	0-20	Infrastructure	7.0	0-15
Diversifying strategies	5.0	0-10	Diversifying strategies	3.0	0-10
Diversified fixed interest	40.0	20-60	Diversified fixed interest	56.0	35-75
Cash	15.0	0-40	Cash	22.0	0-50

You can view these changes in the *Product Disclosure Statement (PDS)*, and *Investment choice guide* for your account, available from lgiasuper.com.au/PDS.



Transition to Retirement Ready-made investment options

Aggressive	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	30.0	15-45
International shares	33.0	15-45
Private capital	5.0	0-10
Property	9.0	0-20
Infrastructure	11.0	0-20
Diversifying strategies	10.0	0-20
Diversified fixed interest	0.0	0-20
Cash	2.0	0-20

Stable	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	8.0	0-20
International shares	12.0	0-20
Private capital	2.0	0-10
Property	8.0	0-20
Infrastructure	10.0	0-20
Diversifying strategies	5.0	0-10
Diversified fixed interest	40.0	20-60
Cash	15.0	0-40

Diversified Growth	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	22.5	13-37
International shares	27.5	13-37
Private capital	5.0	0-10
Property	9.0	0-20
Infrastructure	11.0	0-20
Diversifying strategies	5.0	0-10
Diversified fixed interest	18.0	0-30
Cash	2.0	0-20

Defensive	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	3.0	0-15
International shares	4.0	0-15
Private capital	0.0	0-10
Property	5.0	0-15
Infrastructure	7.0	0-15
Diversifying strategies	3.0	0-10
Diversified fixed interest	56.0	35-75
Cash	22.0	0-50

Balanced	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	13.5	0-27
International shares	16.5	0-27
Private capital	5.0	0-10
Property	9.0	0-20
Infrastructure	11.0	0-20
Diversifying strategies	5.0	0-10
Diversified fixed interest	37.0	20-50
Cash	3.0	0-20

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Pension Ready-made investment options

Aggressive	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	30.0	15-45
International shares	30.0	15-45
Private capital	3.0	0-10
Property	11.5	0-20
Infrastructure	13.5	0-20
Diversifying strategies	10.0	0-20
Diversified fixed interest	0.0	0-20
Cash	2.0	0-20

Stable	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	8.0	0-20
International shares	8.0	0-20
Private capital	2.0	0-10
Property	10.0	0-20
Infrastructure	12.0	0-20
Diversifying strategies	5.0	0-10
Diversified fixed interest	40.0	20-60
Cash	15.0	0-40

Diversified Growth	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	22.5	13-37
International shares	22.5	13-37
Private capital	3.0	0-10
Property	11.5	0-20
Infrastructure	13.5	0-20
Diversifying strategies	5.0	0-10
Diversified fixed interest	18.0	0-30
Cash	4.0	0-20

Defensive	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	3.0	0-15
International shares	3.0	0-15
Private capital	0.0	0-10
Property	5.0	0-15
Infrastructure	7.0	0-15
Diversifying strategies	3.0	0-10
Diversified fixed interest	56.0	35-75
Cash	23.0	0-50

Balanced	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	13.5	0-27
International shares	13.5	0-27
Private capital	3.0	0-10
Property	11.5	0-20
Infrastructure	13.5	0-20
Diversifying strategies	5.0	0-10
Diversified fixed interest	37.0	20-50
Cash	3.0	0-20

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Accumulation, Transition to Retirement and Pension Single Asset Class options

International Shares	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	0.0	n/a
International shares	100.0	90-100
Private capital	0.0	n/a
Property	0.0	n/a
Infrastructure	0.0	n/a
Diversifying strategies	0.0	n/a
Diversified fixed interest	0.0	n/a
Cash	0.0	0-10

Diversified Fixed Interest	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	0.0	n/a
International shares	0.0	n/a
Private capital	0.0	n/a
Property	0.0	n/a
Infrastructure	0.0	n/a
Diversifying strategies	0.0	n/a
Diversified fixed interest	100.0	90-100
Cash	0.0	0-10

Australian Shares	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	100.0	90-100
International shares	0.0	n/a
Private capital	0.0	n/a
Property	0.0	n/a
Infrastructure	0.0	n/a
Diversifying strategies	0.0	n/a
Diversified fixed interest	0.0	n/a
Cash	0.0	0-10

Cash	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	0.0	n/a
International shares	0.0	n/a
Private capital	0.0	n/a
Property	0.0	n/a
Infrastructure	0.0	n/a
Diversifying strategies	0.0	n/a
Diversified fixed interest	0.0	n/a
Cash	100.0	n/a

Property	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	0.0	n/a
International shares	0.0	n/a
Private capital	0.0	n/a
Property	100.0	90-100
Infrastructure	0.0	n/a
Diversifying strategies	0.0	n/a
Diversified fixed interest	0.0	n/a
Cash	0.0	0-10

You can view these changes in the *Product Disclosure Statement (PDS)*, and *Investment choice guide* for your account, available from lgiasuper.com.au/PDS.

Accumulation, Transition to Retirement and Pension Socially Responsible options

SR Balanced	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	25.0	0-40
International shares	37.0	0-58
Private capital	2.0	0-6
Property	5.0	0-10
Infrastructure	4.0	0-7
Diversifying strategies	0.0	0-6
Diversified fixed interest	25.0	0-45
Cash	2.0	0-20

SR Australian Shares	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	100.0	90-100
International shares	0.0	n/a
Private capital	0.0	n/a
Property	0.0	n/a
Infrastructure	0.0	n/a
Diversifying strategies	0.0	n/a
Diversified fixed interest	0.0	n/a
Cash	0.0	0-10

Defined Benefits Fund and Defined Benefit account strategic asset allocation (SAA) ranges

	From 1 Nov 2020	
	SAA %	RANGES %
Australian shares	8.0	0-27
International shares	12.0	0-27
Private Capital	10.0	0-20
Property	9.0	0-20
Infrastructure	11.0	0-20
Diversifying strategies	10.0	0-20
Diversified fixed interest	37.0	0-50
Cash	3.0	0-20



Changes to Pension account return targets

The table below shows increases to the return targets of the Aggressive, Diversified Growth, Balanced, Stable and Defensive investment options for our Pension account effective from 1 November 2020.

These increases reflect a greater focus on delivering income into our Pension products, partly as a result of our changes to strategic asset allocation.

Investment option	Investment option from 1 Nov 2020
Pension Aggressive	Return target of 3.75% per year above inflation after fees and taxes over the next ten financial years.
Pension Diversified Growth	Return target of 3.25% per year above inflation after fees and taxes over the next ten financial years.
Pension Balanced	Return target of 2.75% per year above inflation after fees and taxes over the next ten financial years.
Pension Stable	Return target of 1.75% per year above inflation after fees and taxes over the next ten financial years.
Pension Defensive	Return target of 1.25% per year above inflation after fees and taxes over the next ten financial years.

Increased indirect costs

Indirect costs are any amounts that may reduce the return on your investments but are not charged to your account as a fee. Indirect costs include transactional and operational costs relating to investing, such as costs of derivatives and management costs charged by interposed or secondary vehicles.

As at 30 June 2020, LGIAsuper's indirect costs had increased relative to those from the previous financial year, largely as a result of increased investment in assets expected to reduce volatility in periods of market downturn. These included real infrastructure and property investments, and diversifying strategies with lower correlations to equity market performance.

The indirect cost ratios for each investment option in 2019/20 are listed on the right. Details of the option(s) that your super balance and future contributions is invested in can be seen by logging into your Member Online account at lgiasuper.com.au.

All returns to members are provided after fees and costs, so the returns you have received between 1 July 2019 and 30 June 2020 are inclusive of these changes.

Transition costs to our new strategic allocations have also increased indirect costs for 2019/20. However, LGIAsuper expects that the Indirect Cost Ratios of our products for this financial year (FY2021) will be materially lower than the Indirect Cost Ratios for the past financial year (FY2020). This is because a number of the managers who contributed to last year's Indirect Cost Ratios will have exited from our portfolios by 30 June 2021.

Investment option	Indirect cost from ratio for 2019/20 ⁴
MySuper Lifecycle Under 75	0.69% p.a.
MySuper Lifecycle 75 plus	0.61% p.a.
Aggressive	0.61% p.a.
Diversified Growth	0.69% p.a.
Balanced	0.61% p.a.
Stable	0.45% p.a.
Defensive	0.29% p.a.
International Shares	0.16% p.a.
Australian Shares	0.07% p.a.
Property	1.40% p.a.
Diversified Fixed Interest	0.10% p.a.
Cash	0.00% p.a.
Socially Responsible Balanced	1.07% p.a.
Socially Responsible Australian Shares	0.09% p.a.



Changes to Insurance

We have enhanced our insurance offering from 1 November 2020 by:

- **Introducing four new Life Events** which allow you to apply for additional cover without the need for lengthy underwriting questionnaires and processes. These new events are:
 - Having a dependent child attending primary or secondary school for the first time.
 - First becoming eligible for a Centrelink carer's allowance.
 - 10 years of continuous membership with LGIAsuper.
 - Achieving a milestone birthday (30, 35, 40, 45 or 50 years old).

We have also increased the age limit for Life Event applications from age 55 to 60 and you can now apply for a Life Event change within 90 days of receiving the annual member statement, subject to the Life Event occurring in the last 12 months.

You can also now apply for an increase in Income Protection cover due to a Life Event.

- **Improving the terms** under which you can transfer-in your existing insurance cover by:
 - Increasing the age limit for applications from age 55 to 60.
 - Increasing the maximum amount that can be transferred from \$1m to \$1.5m for Death & Total & Permanent Disability cover.
 - Increasing the maximum Income Protection cover from \$6,000 to \$10,000 per month (inclusive of any existing cover and subject to a maximum of 75% of your monthly salary).

For full details of the conditions please refer to the *Product Disclosure Statement (PDS)* for your account and the *Insurance guide*.

Account balance

If you wish to make a partial lump sum withdrawal, you must leave a minimum balance of \$6,000 in your account.

LGIAsuper requires that you must have reached and hold a minimum balance of \$6,000 in order to process a partial lump sum withdrawal.

What do you need to do?



You do not need to do anything, but if you would like to change your investment option(s) you can do so by logging in to your Member Online account at lgiasuper.com.au or refer to the *Investment choice guide* for your account, for alternative ways to submit an investment switch.

We're here to help

If you would like to discuss the above changes and how they relate to your account, please contact us on **1800 444 396** or at info@lgiasuper.com.au

SUPERANNUATION
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- 1 If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.
- 2 The Administration fee is capped at \$1,575 per annum across all your accounts at LGIAsuper.
- 3 Estimates only.
- 4 Actual costs incurred for previous financial year.

LGIAsuper Trustee ABN 94 085 088 484 AFS Licence No. 230511 LGIAsuper ABN 23 053 121 564

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