

Important Information

*Important Information relating to the
Personal Retirement Plan
Allocated Pension
Term Allocated Pension
Investment Funds - Class A*



FEBRUARY 2020



We're committed to providing you with high-quality investment solutions for your retirement.

Last year we combined the assets of the StatePlus Retirement Fund with the First State Superannuation Scheme (**Fund**), and we're now one of Australia's largest industry super funds. This increased size and scale enables us to access more investment opportunities for you and offer you more investment options.

With our increased size and scale, we've been working hard to drive down our costs overall and we're making some changes to the way we structure our super and pension fees. There are also some changes to the return objectives, strategic asset allocations and standard risk measures of our investment options as part of our annual investment review.

To help you understand what's changing, we've put together this summary of important information that highlights changes to:

Super & Pension products

Trustee: First State Super Trustee Corporation

- Fees
- Return objectives
- Strategic asset allocation
- Standard risk measure

Investment products

Trustee: State Super Financial Services Australia Limited (trading as StatePlus)

- Return objectives
- Strategic asset allocation
- Standard risk measure

Super & Pension products



Changes to fees

The changes described in this section are relevant to the following products, collectively known as Super and Pension products. FSS Trustee Corporation (FTC) is the issuer of the Super and Pension products.

- Personal Retirement Plan (closed to new investors)
- Allocated Pension (closed to new investors)
- Term Allocated Pension (closed to new investors)

Currently the fees you pay can be broadly categorised into two types:

- **Administration fees** – fees related to providing you administration and related services. These fees are generally the same from year to year.
- **Investment fees** – made up of two components: management fees and performance-related fees.

As a result of the changes coming into effect from 1 April 2020, there will be changes to the way in which fees are charged to your account. This should give you greater clarity of the fees you pay for the services you receive, and may allow us to pass on to you any benefits of our increased size and scale to reduce investment fees and costs.

Following these changes, some clients will benefit from lower fees. However, some clients may pay higher fees, depending on the investment options you hold, but the increase will be no more than \$52 a year.

Changes to administration fees

How do we currently charge an administration fee?

Currently, the administration fee is deducted from the assets of each investment option and before we calculate the unit price for your investment option. The administration fee is not directly deducted each month from your account. Although we provide an approximation of this fee in your statements, we are now changing this following feedback from our clients.

What's changing?

We're changing the way administration fees are charged to more closely align these across the whole Fund. This should give you greater clarity on the fees you pay for the services you receive.

From 1 April 2020, there will be a new administration fee structure and the administration fee will be deducted directly from your account. The new administration fee structure will be:

- an annual **administration fee** of \$52
- an **asset-based administration fee** of 0.20% of your account balance, capped at \$1,500 per annum.

What does this change mean for you?

The new administration fee structure means you'll see your administration fees deducted directly from your account as a transaction each month. The annual administration fee of \$52 will be a new charge to your account as we align the pricing structure for all members of the Fund. In addition, the asset-based administration fee of 0.20% will be capped at a maximum of \$1,500 per annum.

Changes to the government costs and levies

Government costs and levies were also a component of the total fees and costs of your investment option. From 1 April 2020, government costs and levies will now be absorbed into the asset-based administration fee and will not be separately charged to your account.

Changes to Investment Fees

What's an Investment Fee?

The Investment Fee is currently made up of two components:

1. The **management fee**, which is payable for the management of your selected investment option as well as the investment-related fees and costs of the investment option.
2. The **performance-related fee**, which is payable when certain investment managers exceed performance targets.

What's changing?

From 1 April 2020, the Investment Fee will be made up of three components, as shown below. We're making this change to provide you more transparency on the fees charged for your selected investment options.

This will mean that the Investment Fee will now be made up of three components:

- Management fee** – a fixed fee, depending on the investment option selected, ranges from 0.00% to 0.20% per annum. A management fee is payable for the management of your products.
- Investment-related costs** – depending on the investment option selected, investment costs are payable in relation to the investment management of your selected investment option.
- Performance-related costs** – depending on the investment option selected, a performance-related cost will be payable when certain investment managers exceed performance targets.

What does this change mean for you?

Charging the investment-related costs separately from the management fee means that you'll receive the benefit of any reduction in our investment-related costs. You'll also pay for any increases in investment-related costs. This gives you greater clarity overall on the fees and costs you're paying.

The table below shows the Investment Fees you paid for the 2018-2019 financial year for each investment option in the three products: Personal Retirement Plan, Allocated Pension and Term Allocated Pension.

The investment-related costs and performance-related costs vary from year to year and cannot be precisely calculated in advance. These costs can only be determined after the end of the financial year and are available on our website each year.

For comparison, we've shown below the impact of this new fee structure using the investment-related costs and performance-related costs for the previous financial year. In the column titled 'Financial year 2018-2019 with fee changes' it shows the fees you would have paid if this new fee structure had been in place for the 2018-2019 financial year.

Investment Option	Investment Fees % p.a.			
	Personal Retirement Plan		Allocated Pension & Term Allocated Pension	
	Financial year 2018-2019	Financial year 2018-2019 with fee changes*	Financial year 2018-2019	Financial year 2018-2019 with fee changes*
Capital Stable Fund	0.37	0.33	0.37	0.33
Moderate Fund	0.43	0.40	0.43	0.39
Balanced Fund	0.49	0.46	0.50	0.47
Growth Fund	0.59	0.50	0.59	0.50
Growth Plus Fund	0.59	0.52	0.59	0.51
Cash Fund	0.04	0.02	0.04	0.02
Fixed Interest Fund	0.20	0.13	0.20	0.13
Australian Equities Fund	0.55	0.32	0.55	0.30
International Equities Fund	0.55	0.35	0.55	0.34
Fixed Term Fund	0.20	0.20	0.20	0.20

*Based on the total Investment Fees paid for the financial year ending 30 June 2019. This includes the management fee, investment-related costs and performance-related costs.

Understanding the new fee structure

From 1 April 2020

Personal Retirement Plan, Allocated Pension and Term Allocated Pension

Type of fee	Amount	How and when paid
Investment fee ^{1,2}	<p>The Investment Fee comprises three components:</p> <ul style="list-style-type: none"> • Management fee • Investment-related costs • Performance-related costs <p>Management fee: Depending on the investment option selected, the amount you pay for each investment option ranges from 0.00% p.a. to 0.20% p.a. of the amount you invest in that investment option.</p> <p>Plus</p> <p>Investment-related costs: Depending on the investment option selected, the amount you pay for each investment option ranges from 0.02% p.a. to 0.40% p.a. of the amount you invest in that investment option.</p> <p>Plus</p> <p>Performance-related costs³: Depending on the investment option selected, a performance-related cost will be payable when certain investment managers exceed performance targets. The level of the performance-related cost expressed as a percentage of the amount you invest in each investment option ranged from 0.00% to 0.05% for the 2018-2019 financial year.</p>	<p>Management fees for unitised investment options are calculated and accrued each day, and included in the calculation of the unit price of each unitised investment option on each business day and paid monthly. Management fees are deducted from unitised investment option assets at the end of each month.</p> <p>Management fees for the Fixed Term Fund are calculated on a monthly basis and deducted from the returns generated by the underlying assets at the end of each month. The rate on the Fixed Term Fund is quoted after these management fees and is locked in for the term of your investment.</p> <p>Investment-related costs for unitised investment options are calculated and accrued each day, and included in the calculation of the unit price of each unitised investment option on each business day. Investment-related costs are deducted from unitised investment option assets at the end of each month.</p> <p>Performance-related costs are calculated and accrued on a regular basis (at least quarterly) and incorporated into the calculation of unit prices. Performance-related costs are deducted from fund assets as they become payable, typically after a period of one year or longer.</p>

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 amount combined 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. Please see 'Additional explanation of fees and costs' in the PDS for a definition of each fee. These are an estimate of the fees and costs of each option for the 12 months to 30 June 2019. Past costs are not a reliable indicator of future costs.
3. Performance-related costs may vary from year to year and cannot be precisely calculated in advance. See 'Additional explanation of fees and costs' in the PDS for more details.

Understanding the new fee structure (Cont.)

Personal Retirement Plan, Allocated Pension and Term Allocated Pension (Cont.)

Type of fee	Amount	How and when paid
Administration fee ^{1,2}	\$52 per year (\$4.33 per month) plus an asset-based administration fee of 0.20% of your account balance. The asset-based administration fee is capped at \$1,500 per year (\$125 per month).	Administration fees are deducted from your account at the end of each month or on exit. Fees for part of a month are calculated based on the number of days you were in the fund.
Buy-sell spread ²	Nil	N/A
Switching fee ²	Nil	N/A
Advice fees ² Relating to all members investing in a particular investment option	Nil	N/A
Other fees and costs ^{2,4}	<p>An advice fee for personal advice may apply. The amount of any applicable advice fee will vary, depending on your individual circumstances and the fee arrangement that you have agreed with your planner.</p> <p>An early closure cost may be incurred if your investment in the Fixed Term Fund is redeemed before maturity.</p>	<p>If applicable, you can direct us to deduct the advice fee directly from your account. The frequency and timing of the deduction of any applicable advice fee will vary, depending on the fee arrangement that you have agreed with your planner.</p> <p>If applicable, early closure costs for the Fixed Term Fund will be deducted before the withdrawal amount is paid to you.</p>
Indirect cost ratio ^{1,2,5}	Depending on the investment option selected, is estimated to range from 0.00% to 0.14% of the amount invested in the investment option.	<p>For unitised investment options, costs are accrued into the calculation of unit prices when they become known and deducted as they are incurred.</p> <p>For the Fixed Term Fund, costs are factored into rates prior to them being confirmed.</p>

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 amount combined 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. Please see 'Additional explanation of fees and costs' in the PDS for a definition of each fee. These are an estimate of the fees and costs of each option for the 12 months to 30 June 2019. Past costs are not a reliable indicator of future costs.
3. Performance-related costs may vary from year to year and cannot be precisely calculated in advance. See 'Additional explanation of fees and costs' in the PDS for more details.
4. There are costs associated with closing a non-unitised investment option investment before maturity. Please refer to 'Additional explanation of fees and costs' in the PDS.
5. The indirect cost information is based on information available and (if applicable) estimates of the indirect costs for the 2018-2019 financial year based on the information available about the indirect costs for the 2018-2019 financial year at the date of issue of the PDS. Please refer to 'Additional explanation of fees and costs' in the PDS.

Example of annual fees and costs

To show you the impact of these changes on the fees you pay, we've provided an example for an account balance of \$50,000 and for \$250,000 using the fees and costs for the Balanced Fund. These calculations are based on the variable fees and costs that applied for the 2018-2019 financial year.

Personal Retirement Plan, Allocated Pension and Term Allocated Pension – \$50,000 example

	Financial year 2018-2019 Balanced Fund		From 1 April 2020 Balanced Fund	
		Balance of \$50,000		Balance of \$50,000
Investment fees	0.50% p.a. ¹	For every \$50,000 you have in the superannuation product you will be charged \$250 each year	0.47% p.a. ²	For every \$50,000 you have in the superannuation product you will be charged \$235 each year
Plus Administration fees	0.21% ³	And , you will be charged \$105 in administration fees	\$52 (\$4.33 per month) + 0.20% ⁴	And , you will be charged \$152 in administration fees
Plus Indirect costs for the superannuation product ⁵	0.14%	And , indirect costs of \$70 each year will be deducted from your investment	0.14%	And , indirect costs of \$70 each year will be deducted from your investment
Equals Cost of product		If your balance was \$50,000, then for that year you will be charged fees of: \$425 for the superannuation product		If your balance was \$50,000, then for that year you will be charged fees of: \$457 for the superannuation product

1. The Investment Fee is calculated as the sum of the management fee of 0.45% p.a plus performance-related costs of 0.05% p.a. for the 2018-2019 financial year.
2. The Investment Fee is calculated as the sum of the management fee of 0.15% p.a, plus investment-related costs of 0.27% p.a. plus performance-related costs of 0.05% p.a. for the 2018-2019 financial year.
3. The administration fee includes government costs and levies of 0.01% p.a for the 2018-2019 financial year.
4. Subject to a cap of \$1,500 p.a. on the asset-based administration fee.
5. This is the indirect cost ratio incurred in the 2018-2019 financial year.

Example of annual fees and costs (Cont.)

Personal Retirement Plan, Allocated Pension and Term Allocated Pension – \$250,000 example

	Financial year 2018-2019 Balanced Fund		From 1 April 2020 Balanced Fund	
		Balance of \$250,000		Balance of \$250,000
Investment fees	0.50% p.a. ¹	For every \$250,000 you have in the superannuation product you will be charged \$1,250 each year	0.47% p.a. ²	For every \$250,000 you have in the superannuation product you will be charged \$1,175 each year
Plus Administration fees	0.21% ³	And , you will be charged \$525 in administration fees	\$52 (\$4.33 per month) + 0.20% ⁴	And , you will be charged \$552 in administration fees
Plus Indirect costs for the superannuation product ⁵	0.14%	And , indirect costs of \$350 each year will be deducted from your investment	0.14%	And , indirect costs of \$350 each year will be deducted from your investment
Equals Cost of product		If your balance was \$250,000, then for that year you will be charged fees of: \$2,125 for the superannuation product		If your balance was \$250,000, then for that year you will be charged fees of: \$2,077 for the superannuation product

1. The Investment Fee is calculated as the sum of the management fee of 0.45% p.a. plus performance-related costs of 0.05% p.a. for the 2018-2019 financial year.
2. The Investment Fee is calculated as the sum of the management fee of 0.15% p.a., plus investment-related costs of 0.27% p.a. plus performance-related costs of 0.05% p.a. for the 2018-2019 financial year.
3. The administration fee includes government costs and levies of 0.01% p.a. for the 2018-2019 financial year.
4. Subject to a cap of \$1,500 p.a. on the asset-based administration fee.
5. This is the indirect cost ratio incurred in the 2018-2019 financial year.

Further details on your fees

To help you better understand the new fee structure, we've put together the following table. This provides a detailed breakdown based on the total fees and costs paid from your investment option for the 2018-2019 financial year.

The latest fees and costs of each investment option for the 12 months to 30 June 2019 can be found on our website. Visit stateplus.com.au/investments/products, select the relevant product and select 'Fees' in the table at the bottom of the page. In future, the amount you pay will depend on the actual fees, costs and taxes incurred by the trustee in managing the investment option.

Allocated Pension and Term Allocated Pension

Investment option	Investment Fee %			Indirect cost ratio % p.a.	Total investment fees and indirect costs % p.a.	Total estimated investment fees and indirect costs expressed as \$ per \$50,000 p.a.
	Management fees % p.a.	Investment-related costs % p.a.	Performance-related costs % p.a.			
Diversified investment options						
Capital Stable Fund	0.15%	0.16%	0.02%	0.10%	0.43%	\$215
Moderate Fund	0.15%	0.21%	0.03%	0.11%	0.50%	\$250
Balanced Fund	0.15%	0.27%	0.05%	0.13%	0.60%	\$300
Growth Fund	0.15%	0.31%	0.04%	0.13%	0.63%	\$315
Growth Plus Fund	0.15%	0.32%	0.04%	0.12%	0.63%	\$315
Single asset class investment options						
Cash Fund	0.00%	0.02%	N/A	0.01%	0.03%	\$15
Fixed Interest Fund	0.06%	0.07%	N/A	0.01%	0.14%	\$70
Australian Equities Fund	0.06%	0.24%	N/A	0.04%	0.34%	\$170
International Equities Fund	0.06%	0.28%	N/A	0.06%	0.40%	\$200
Fixed Term Fund	0.20%	0.00%	N/A	0.00%	0.20%	\$100

Further details on your fees (Cont.)

Personal Retirement Plan

Investment option	Investment Fee %			Indirect cost ratio % p.a.	Total investment fees and indirect costs % p.a.	Total estimated investment fees and indirect costs expressed as \$ per \$50,000 p.a.
	Management fees % p.a.	Investment-related costs % p.a.	Performance-related costs % p.a.			
Diversified investment options						
Capital Stable Fund	0.15%	0.16%	0.02%	0.10%	0.43%	\$215
Moderate Fund	0.15%	0.22%	0.03%	0.12%	0.52%	\$260
Balanced Fund	0.15%	0.27%	0.04%	0.14%	0.60%	\$300
Growth Fund	0.15%	0.31%	0.04%	0.13%	0.63%	\$315
Growth Plus Fund	0.15%	0.33%	0.04%	0.12%	0.64%	\$320
Single asset class investment options						
Cash Fund	0.00%	0.02%	N/A	0.01%	0.03%	\$15
Fixed Interest Fund	0.06%	0.07%	N/A	0.01%	0.14%	\$70
Australian Equities Fund	0.06%	0.26%	N/A	0.04%	0.36%	\$180
International Equities Fund	0.06%	0.29%	N/A	0.07%	0.42%	\$210
Fixed Term Fund	0.20%	0.00%	N/A	0.00%	0.20%	\$100

Changes to the return objectives

Changes to the return objectives of the investment options for the Super and Pension products are outlined below. These were either in effect on 1 December 2019 or will be implemented on 1 April 2020 as shown below.

The return objectives for all other investment options remain unchanged.

Change to single sector investment option return objectives

Personal Retirement Plan, Allocated Pension and Term Allocated Pension

Investment option	Return objective before 1 December 2019	Return objective from 1 December 2019	Return objective from 1 April 2020
Australian Equities Fund	To meet or exceed the return of the FTSE ASFA Australia 300 Tax Exempt Index over rolling five-year periods gross of tax and net of fees and costs.	To meet or exceed the return of the S&P/ASX 300 Franking Credit Adjusted Daily Return (Superannuation) Index with lower volatility, over rolling five-year periods, before tax and after taking into account fees and costs.	To track the S&P/ASX 300 Accumulation Index, before taking into account fees, costs and tax.
International Equities	To meet or exceed the return of the MSCI AC World (ex-Australia) Index (partly hedged) over rolling five-year periods gross of tax and net of fees and costs.	To meet or exceed the return of the MSCI AC World ex-Australia Accumulation Index (Net Divs.) (partly hedged) in Australian dollars with lower volatility, over rolling five-year periods, before tax and after taking into account fees and costs.	To track the return of the MSCI World Index ex-Australia ex-tobacco securities Accumulation Index (unhedged) in Australian dollars, before taking into account fees, costs and tax.
Fixed Interest Fund	To meet or exceed the return of a blend of Australian fixed interest and Global fixed interest benchmarks (50% Bloomberg AusBond All Maturities Composite Bond Index, 30% Bloomberg AusBond Bank Bill Index + 0.75% and 20% Bank of America Merrill Lynch Global Broad Market (100% hedged)) before fees and taxes over rolling three-year periods.	To track a blend of Australian and global fixed income benchmarks (50% Bloomberg AusBond Composite 0 + Yr Index, 30% Bloomberg AusBond Bank Bill Index + 0.75% and 20% Bloomberg Barclays Global Aggregate Float-Adjusted Index (100% hedged)) in Australian dollars, before taking into account fees, costs and tax.	No change.
Cash Fund	To track the Bloomberg AusBond Bank Bill Index, after fees.	To outperform the returns of the Bloomberg AusBond Bank Bill Index, over rolling 12-month periods, before taking into account fees, costs and tax.	No change.

Change to diversified investment options return objectives – effective 1 April 2020

We're changing our investment objectives from a pre-tax basis to post-tax basis to better align with industry standards.

As a result, the diversified investment options' investment objectives of the Personal Retirement Plan will be 0.50% lower than CPI+ target of the investment option equivalent in the pension product. This is to reflect the fact that investment earnings in an accumulation account are taxed (at a maximum rate of 15%).

Any earnings on your pension (retirement income stream) account are tax free while they remain in your account, regardless of your age. This is one of the main advantages that a retirement income stream has over non-income stream superannuation accounts and investments outside super.

All diversified investment objectives will now be stated as after taking into account fees, costs and tax and over rolling ten-year periods.

Personal Retirement Plan

Investment option	Existing return objective	New return objective
Capital Stable Fund	CPI + 1.75% p.a. gross of tax ¹ and net of fees and costs over rolling three-year periods.	CPI + 1.25% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Moderate Fund	CPI + 2.5% p.a. gross of tax ¹ and net of fees and costs over rolling four-year periods.	CPI + 2.0% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Balanced Fund	CPI + 3.5% p.a. gross of tax ¹ and net of fees and costs over rolling five-year periods.	CPI + 3.0% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Growth Fund	CPI + 4.0% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.	CPI + 3.5% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Growth Plus Fund	CPI + 4.25% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.	CPI + 3.75% p.a. over rolling ten-year periods after taking into account fees, costs and tax.

¹ Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

Allocated Pension and Term Allocated Pension

Investment option	Existing return objective	New return objective
Capital Stable Fund	CPI + 1.75% p.a. gross of tax ¹ and net of fees and costs over rolling three-year periods.	CPI + 1.75% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Moderate Fund	CPI + 2.5% p.a. gross of tax ¹ and net of fees and costs over rolling four-year periods.	CPI + 2.5% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Balanced Fund	CPI + 3.5% p.a. gross of tax ¹ and net of fees and costs over rolling five-year periods.	CPI + 3.5% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Growth Fund	CPI + 4.0% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.	CPI + 4.0% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Growth Plus Fund	CPI + 4.25% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.	CPI + 4.25% p.a. over rolling ten-year periods after taking into account fees, costs and tax.

¹ Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

Changes to the Strategic Asset Allocation

Each of our investment options has a medium to longer term target allocation of assets between the asset classes, called the Strategic Asset Allocation (SAA), based on the investment objective of that investment option. We may review and vary the SAA or asset allocation range from time to time, consistent with the investment objective.

Changes to the SAA across all Super & Pension products – effective 1 December 2019

Diversified Investment Options

Asset Class	Capital Stable Fund		Moderate Fund		Balanced Fund		Growth Fund		Growth Plus Fund	
	Target SAA	Change (%)	Target SAA	Change (%)	Target SAA	Change (%)	Target SAA	Change (%)	Target SAA	Change (%)
Australian Fixed Interest	47%	-2	33%	-7	15%	-12	5%	-4	0%	-
International Fixed Interest	0%	-	7%	-	4%	-	0%	-2	0%	-
Cash	24%	-	10%	-	10%	+5	8%	+6	0%	-
Credit Income	4%	+2	10%	+5	10%	+3	7%	-	0%	-6
Australian Equities	6%	-	10%	-1	18%	-3	27%	-5	35%	-5
International Equities	7%	+1	12%	+2	23%	+3	32%	-	43%	+6
Property	6%	-	8%	-	8%	+0.5	8%	+1	8%	+3
Infrastructure	6%	+2	8%	+4	8%	+4	8%	+4	9%	+2
Other Alternatives	0%	-3	2%	-3	4%	-0.5	5%	-	5%	-

Diversified Investment Option

	Growth Fund		Growth Plus Fund	
	Target SAA	Change (%)	Target SAA	Change (%)
Income assets	25%	+5	5%	-1
Growth assets	75%	-5	95%	+1

Further changes to the SAA effective 1 April 2020

SAA's will now be shown at a consolidated asset class level, with the Alternatives asset class allocation now including a wide range of investments such as credit income, property, infrastructure, private equity, hedge funds and real return strategies.

Private Equity

Our increased size and scale enable us to access more investment opportunities, including the private equity market. Our Super and Pension products will now have investments in this sector where appropriate.

Private equity includes investments in companies, both in Australia and overseas that are not listed on a stock exchange. Such companies can include large established companies needing investment and expertise to support future growth plans, as well as smaller, rapidly growing businesses.

The private equity market provides more opportunities for skilled managers to add value, however, these are generally higher-risk investments.

Other SAA changes include:

- Fixed Income also now includes both the Australian and International Fixed Income sectors.
- The Enhanced Income sector (now renamed Conservative Income) has been moved to the Cash sector from Australian Fixed Income.

Further changes to the SAA effective 1 April 2020 (Cont.)

Personal Retirement Plan, Allocated Pension and Term Allocated Pension

Asset Class	Diversified Investment Options									
	Capital Stable Fund		Moderate Fund		Balanced Fund		Growth Fund		Growth Plus Fund	
	Target	Range	Target	Range	Target	Range	Target	Range	Target	Range
Strategic Asset Allocation:										
Australian Equities	6%	0 - 16%	9.5%	0 - 19.5%	17%	7% - 27%	26%	16% - 36%	24%	14% - 34%
International Equities	7%	0 - 17%	11%	1% - 21%	21.5%	11.5% - 31.5%	30%	20% - 40%	29%	19% - 39%
Alternatives	16%	0 - 40%	29.5%	10% - 50%	32.5%	10% - 50%	31%	10% - 50%	27%	10% - 50%
Fixed Income	25%	0 - 50%	25%	0 - 45%	17%	0 - 35%	5%	0 - 25%	10%	0 - 25%
Cash	46%	1% - 85%	25%	1% - 75%	12%	1% - 60%	8%	1% - 45%	10%	1% - 45%
Foreign currency exposure	5%	0 - 17%	8%	0 - 21%	16%	0 - 31.5%	23%	0 - 40%	22%	0 - 39%
Income / Growth Split:										
Income	75%	55% - 95%	62%	42% - 82%	43%	23% - 63%	25%	5% - 45%	25%	5% - 45%
Growth	25%	5% - 45%	38%	18% - 58%	57%	37% - 77%	75%	55% - 95%	75%	55% - 95%

	Growth Plus Fund	
	Target SAA	Change (%)
Income assets	25%	+20
Growth assets	75%	-20

Change to the Standard Risk Measure

We've adopted the Standard Risk Measure (SRM), which is based on a methodology developed by the superannuation industry so that consumers can compare investment options within and across funds, and assigns a risk band, risk label and estimated number of negative annual returns over any 20-year period.

The SRM has changed for one of our investment options following the latest annual review. This change took effect from 1 December 2019.

	Fixed Interest Fund
Previous SRM	6: High
SRM change effective 1 December 2019	5: Medium to high

For more information on the SRM please visit our website

<https://www.stateplus.com.au/investments/how-we-invest/standard-risk-measure>

Investment products



Changes to the return objectives

This section describes changes to the following investment options, known as Investment products in this document. State Super Financial Services Australia Limited (trading as StatePlus) is the trustee of the Investment Fund products.

- Investment Fund Class A (closed to new investors)

The return objectives for all other investment options remain unchanged.

Change to single sector return objectives

Investment Fund Class A

Investment option	Return objective before 1 December 2019	Return objective from 1 December 2019	Return objective from 1 April 2020
Australian Equities Fund	To meet or exceed the return of the FTSE ASFA Australia 300 Tax Exempt Index over rolling five-year periods gross of tax and net of fees and costs.	To outperform the return of the S&P/ASX 300 Accumulation Index over rolling five-year periods before tax and after taking into account fees and costs.	No change.
International Equities Fund	To meet or exceed the return of the MSCI AC World (ex-Australia) Index (partly hedged) over rolling five-year periods gross of tax and net of fees and costs.	To outperform the return of the MSCI AC World ex-Australia Accumulation Index (Net Divs.) (partly hedged) in Australian dollars, over rolling five-year periods, before tax and after taking into account fees and costs.	No change.
Fixed Interest Fund	To meet or exceed the return of a blend of Australian and global fixed interest benchmarks (50% Bloomberg AusBond All Maturities Composite Bond Index, 30% Bloomberg AusBond Bank Bill Index + 0.75% and 20% Bank of America Merrill Lynch Global Broad Market (100% hedged)) before fees, costs and taxes over rolling three-year periods.	To meet or exceed the return of a blend of Australian and global fixed interest benchmarks (50% Bloomberg AusBond All Maturities Government 0+Yr, 30% Bloomberg AusBond Bank Bill Index +0.75% and 20% Bloomberg Barclays MSCI Global Aggregate SRI Exclusions Float Adjusted (hedged into Australian dollars)) before taking into account fees, costs and taxes over rolling three-year periods.	To meet or exceed the return of a blend of fixed interest benchmarks (70% Bloomberg AusBond All Maturities Government 0+Yr, 30% Bloomberg AusBond Bank Bill Index +0.75%) before taking into account fees, costs and tax over rolling three-year periods.
Cash Fund	To meet or exceed the returns of the Bloomberg AusBond Bank Bill Index before fees, costs and taxes over rolling 12-month periods.	To outperform the returns of the Bloomberg AusBond Bank Bill Index, over rolling 12-month periods, before taking into account fees, costs and tax.	No change.

Change to diversified investment options return objectives – effective 1 April 2020

Investment Fund Class A

Investment option	Existing return objective	New return objective
Growth Fund	CPI + 4.0% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.	CPI + 4.25% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.

¹ Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

Changes to the Strategic Asset Allocation

Each of our investment options has a medium to longer term target allocation of assets between the asset classes, called the strategic asset allocation (SAA), based on the investment

objective of that investment option. We may review and vary the SAA or asset allocation range from time to time, consistent with the investment objective.

Changes to the SAA across Investment products – effective 1 December 2019.

Diversified Investment Options

Asset Class	Capital Stable Fund		Moderate Fund		Balanced Fund		Growth Fund	
	Target SAA	Change (%)	Target SAA	Change (%)	Target SAA	Change (%)	Target SAA	Change (%)
Australian Fixed Interest	47%	-2	33%	-7	15%	-12	5%	-4
International Fixed Interest	0%	-	7%	-	4%	-	0%	-2
Cash	24%	-	10%	-	10%	+5	8%	+6
Credit Income	4%	+2	10%	+5	10%	+3	7%	-
Australian Equities	6%	-	10%	-1	18%	-3	27%	-5
International Equities	7%	+1	12%	+2	23%	+3	32%	-
Property	6%	-	8%	-	8%	+0.5	8%	+1
Infrastructure	6%	+2	8%	+4	8%	+4	8%	+4
Other Alternatives	0%	-3	2%	-3	4%	-0.5	5%	-

Diversified Investment Option

	Growth Fund	
	Target SAA	Change (%)
Income assets	25%	+5
Growth assets	75%	-5

Further changes to the SAA effective 1 April 2020

SAA's will now be shown at a consolidated asset class level, with the Alternatives asset class allocation now including a wide range of investments such as credit income, property, infrastructure, hedge funds and real return strategies. The Investment products do not have an allocation to private equity.

Other changes include:

- Fixed Income also now includes both the Australian and International Fixed Income sectors.
- The Enhanced Income sector (now renamed Conservative Income) has been moved to the Cash sector from Australian Fixed Income.

Investment Funds Class A

	Diversified Investment Options							
Investment option	Capital Stable Fund		Moderate Fund		Balanced Fund		Growth Fund	
	Target	Range	Target	Range	Target	Range	Target	Range
Strategic Asset Allocation:								
Australian Equities	6%	0 - 16%	10%	0 - 20%	18%	8% - 28%	27%	17% - 37%
International Equities	7%	0 - 17%	12%	2% - 22%	23%	13% - 33%	33%	23% - 43%
Alternatives	16%	0 - 40%	28%	10% - 50%	30%	10% - 50%	20%	10% - 50%
Fixed Income	25%	0 - 50%	25%	0 - 45%	17%	0 - 35%	10%	0 - 25%
Cash	46%	1% - 85%	25%	1% - 75%	12%	1% - 60%	10%	1% - 45%
Foreign currency exposure	5%	0 - 17%	9%	0 - 22%	17%	0 - 33%	25%	0 - 43%
Income / Growth Split								
Income	75%	55% - 95%	62%	42% - 82%	43%	23% - 63%	25%	5% - 45%
Growth	25%	5% - 45%	38%	18% - 58%	57%	37% - 77%	75%	55% - 95%

	Single Asset Class Investment Option	
Asset Class	Fixed Interest Fund	
	Target	Range
Australian Fixed Interest	100%	80 - 100%
International Fixed Interest	0%	0 - 20%

Change to the Standard Risk Measure

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The SRM has changed for one of our investment options following the latest annual review. This change took effect from 1 December 2019.

	Fixed Interest Fund
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For more information on the SRM please visit our website

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The **Personal Retirement Plan, Allocated Pension Fund and Term Allocated Pension Fund** are issued by FSS Trustee Corporation (ABN 11 118 202 672, AFSL 293340, Level 21, 83 Clarence Street, Sydney NSW 2000) (First State Super) as trustee for the First State Superannuation Scheme (ABN 53 226 460 365). The **StatePlus Investment Funds – Class A** (Investment Funds – Class A) are issued by State Super Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430) (StatePlus)



Contact us

If you have any questions about the products or services provided by StatePlus please contact your local regional office.

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