

MEDIA RELEASE

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LGIAsuper announces new asset allocations to generate post-COVID returns

LGIAsuper is aiming to position its members for long-term success by implementing changes to its strategic asset allocations this month.

The changes took effect on 1 November and include reduced exposure to property, traditional bonds and international shares and increased allocations to infrastructure, cash and Australian shares.

The fund is also introducing a new asset class called Private Capital, which will target higher returning investments, as well as altering the mix of its alternative investments.

LGIAsuper Chief Investment Officer Troy Rieck said the new allocations would provide greater transparency to members on their investments, provide more flexibility to invest, and better position members' savings in the new investment environment.

"We are focusing on assets where we expect higher risk-adjusted returns to support our members in building their retirement balances and generating the income they need in retirement," he said.

"Placing more emphasis on generating sustainable income from our diversified portfolios makes sense in a world when capital gains will be harder to generate.

"We are also working the assets harder, increasing the flexibility of the investment program and cutting investment fees, as every dollar we save in fees flows straight to members," Mr Rieck said.

LGIAsuper will maintain its commitment to investing in financially successful community assets such as the Gold Coast Light Rail, Regional Livestock Exchanges and the North Queensland Gas Pipeline.

The fund recently increased its allocation to the Sunshine Coast Airport and is currently reviewing additional investments in Queensland.

Mr Rieck said LGIAsuper's reduced allocations of property and international shares reflected market conditions and aimed to protect members from likely, continued volatility.

"We expect better returns from infrastructure investments in coming years compared to property and will be adding to our portfolio over time," he said.

"Current valuations also suggested rebalancing our share market portfolio in favour of domestic assets at the expense of our global portfolio, after a long period of being overweight in global shares.

"We keep the interests of our members at the heart of everything we do, and our focus on solid, long-term growth in a diversified portfolio enables us to respond to opportunities to ensure that our members can plan for their future in times of both prosperity and volatility."

LGIAsuper's "MySuper Under 75", "Aggressive", "Diversified Growth", "Balanced", "Cash" and "Australian Shares" investment options were Top 5 performers in their categories in the SuperRatings Fund Crediting Rate Survey for the Financial Year to September 30, 2020*.

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About LGIAsuper: LGIAsuper is a Queensland-based super fund that has provided trusted and reliable investment, advice, and insurance solutions for more than 50 years. It looks after approximately \$13 billion in retirement savings for around 75,000 members (as of 30 June 2020). For more information on LGIAsuper's investment strategy, call 1800 444 396 or visit www.lgiasuper.com.au.

* You can refer to the SuperRatings Fund Crediting Rate Survey September 2020 to obtain further information about these results, including how they calculate investment returns. The information is current as at the date of the SuperRatings Survey. LGIAsuper pays a fee to some research houses for surveying our funds. Investment returns are only one factor to be taken into account when deciding whether to invest. Past performance is not a reliable indicator of future performance.