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Brighter together

Delivering streamlined investment options and low fees to members

As a 100% member-owned fund, Brighter Super is dedicated to providing you with value to help you retire with confidence. We would like to thank you for your membership.

Brighter Super has been on a journey of transformation, realising the benefits of our mergers with a continuing commitment to being 'brighter together'.

So, we are pleased to let you know that from **31 May 2024**, we are making some important changes to your fees and investment options. These changes are designed to help you grow your retirement savings, in line with our commitment to improve our service offer and reduce costs. The changes will also allow us to make further fee reductions for most members in January 2025.

Key changes that will automatically take effect on **31 May 2024** for all members include:

Streamlined investment options

From **31 May 2024**, we are streamlining our investment options into one investment menu for all members. This can make it easier for you and, where relevant, your financial adviser when selecting your superannuation investments.

Fee reductions

Members will benefit from fee reductions across most of our investment options. We have also made changes to administration fees and introduced a consistent cap, so that no member will pay more than \$900 in administration fees per financial year.

Greater transparency

To help ensure our fees are simple, easy to understand and transparent, from **31 May 2024**, our administration fees and tax rebate applicable to you will now be listed separately in your Member Online account and Annual Benefit Statement.

This notice explains the changes and what they mean for you. You can also access it at brightersuper.com.au/sen.

For more information on the changes taking effect on 31 May 2024, visit brightersuper.com.au/brighter-together to watch a short explanatory video featuring Brighter Super CEO, Kate Farrar and retirement advocate, David 'Kochie' Koch.

Streamlined investment options

Creating a single set of options

Since our merger with Suncorp Super, we have operated two separate sets of investment options – one for members with Brighter Super accounts, and one for former Suncorp Super members with Optimiser accounts. Combined, this is a total of 32 investment options.

We recognise that maintaining two separate sets of investment options increases our costs over the long term and can be confusing for our members. Following a rigorous review, from 31 May 2024 we will offer one set of investment options for all members.

This will make it easier for you to understand the investment options available to you when deciding how you like your superannuation to be invested.

To create a single set of investment options, we have reviewed all options provided by the Fund. We evaluated and compared similar options for Brighter Super and Optimiser accounts for performance, fee structure and management.

Following this review, we have determined that it is in members' best interests to close the existing Brighter Super Growth, Balanced, Conservative Balanced, Stable and International Shares options. Members invested in these options will be switched to a similar continuing investment option with a history of better performance on 31 May 2024.

In addition, the name of the continuing options will change. For each pair of options that were evaluated, the continuing option will be renamed in line with the Brighter Super options.

Details of the closed and renamed continuing options are provided in the enclosed document, *Important information part A: Streamlined investment options*.

What this means for members in a closing option

If you are invested in one of the options that is closing, you are not required to do anything. You will be automatically switched to the new comparable option on 31 May 2024, which will be processed using the unit prices of 30 May 2024. We will send you a confirmation when the investment switch has been completed.

Information about the continuing investment options, including Strategic Asset Allocations, Standard Risk Measures and Return Targets can be found in the enclosed document, *Important information part A: Streamlined investment options*. If you wish, you can take this opportunity to change your investment option by logging in to your Member Online account at brightersuper.com.au.

Please note that switches processed between 31 May and 2 June 2024 will take 4-5 days to display on your account. The switch will use the unit price for the day your switch request was received as outlined on our website at brightersuper.com.au/investment-switch.

If you provide switch instructions on or around 31 May 2024 involving a closing investment option, we will adjust your investments based on the new investment option detailed in the enclosed document, *Important information part A: Streamlined investment options*.

Closure of socially responsible investment options

Brighter Super has recently made the decision to ensure that we consider environmental, social and governance (ESG) factors, and in particular governance of carbon emissions, across all our investment options. More generally, we are increasing our advocacy with companies regarding their own contributions in this space. This is a positive step forward for Brighter Super.

However, the number of members invested in the two socially responsible investment options, Socially Responsible and Socially Responsible Australian Shares, has been declining and the performance of these options has not met expectations.

In the best interest of members, on 31 May 2024, Brighter Super will close its two socially responsible investment options, Socially Responsible and Socially Responsible Australian Shares. Members invested in these two options will be transferred to other investment options with a history of better performance.

Investment option changes

We continually review our investment options to ensure that investment outcomes reflect the current investment environment and investment allocation.

On 31 May 2024, we will change some of our investment options' targets and values, which include Standard Risk Measures, Strategic Asset Allocations, Return Targets, and fees, as explained below.

Return Target change – Secure option

The Secure option is our lowest risk diversified option, however with only 9% growth assets and the high levels of inflation we have experienced over recent years, it has become increasingly difficult to achieve the current Return Target, relative to inflation.

While we will continue to seek out the best performance outcomes for each option, we are amending our Return Target. The current Return Target of 1% per year above inflation over rolling 10-year periods after fees and taxes will change to a Return Target which seeks to outperform the weighted average return from the MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index (13%) and the Bloomberg Barclays Global Aggregate Index (hedged to Australian Dollars) (87%) over rolling 10-year periods after investment fees but before taxes.

This is considered a better guide for members as to how this option will perform given the option's level of growth assets.

Return Target changes – single asset class options

The earnings derived from assets held in the accumulation phase of superannuation are generally subject to tax. While any tax incurred by your investment earnings is deducted from the returns you have received, the effective tax rate may be impacted by allowable deductions, tax credits and offsets. This makes any comparison with stated Return Targets difficult.

To assist in the transparency and comparability of our options' performance, relative to the respective benchmarks, we are moving the Return Target for our single asset class options to an after investment fees but before taxes basis. This will allow easier comparison of our returns to the stated Return Target without the added complexities of taxes.

Full details about any changes made to each investment option can be found in the enclosed document, *Important information part B: Investment option changes*.

For further information about our investment options, please refer to the *Investment and Fees Guide* for your account, available at brightersuper.com.au/pds from 31 May 2024.

Investment fee reductions

On 31 May 2024, the investment fees and costs for our investment options are changing.

For all investment options, the total of investment and administration fees has reduced as outlined in the enclosed document, *Important information part C: Investment fee reductions*.

For further information about your investment options, refer to the *Investment and Fees Guide* for your account, available at brightersuper.com.au/pds from 31 May 2024.

Greater fee transparency

Brighter Super charges you an administration fee to cover the general costs of managing your superannuation account. Currently, the administration fee for all members with Brighter Super accounts is deducted in the calculation of unit prices daily as they are applied to their account.

From 31 May 2024, you will see this fee deducted monthly from your account instead of reducing the investment return applied to you. You will see this direct fee being deducted from your account separately in Member Online and your Annual Benefit Statement.

In addition, the fund also receives a tax deduction for the administration fee charged to your account and currently includes the benefit of this tax deduction in the calculation of unit prices. From 31 May 2024, the benefit of this deduction will be passed directly back to you in the form of a tax rebate and credited to your account each month. You will also see this rebate credited to your account separately in Member Online and your Annual Benefit Statement.

Changing the disclosure of the administration fee and tax rebate to a direct transaction on your account will provide you with greater transparency, helping you to better understand the fees and costs that you pay.

Brighter Super has been progressively working on the transparency of our fees, so you know what you're paying – both directly and indirectly – from your account.

What do you need to do?

You do not need to do anything. These changes will automatically take effect from 31 May 2024.

For further information please visit brightersuper.com.au/brighter-together. You can also refer to the *Product Disclosure Statement*, *Target Market Determination* or *Investment and Fees Guide* available at brightersuper.com.au/pds.

For further information on your account you can log in 24/7 to Member Online or access your account via the Brighter Super app.

We're here to help

As always, we're right by your side.

If you need help considering your investment options, talking to a financial adviser can be helpful. If you already have a financial adviser, they can help you make informed decisions about your superannuation investments.

Brighter Super also offers a range of advice services, to help you plan, protect, and grow your retirement savings, including investment advice which is covered as part of your membership. To find out more, visit brightersuper.com.au/advice.

If you have any questions, please contact us at info@brightersuper.com.au or call our team 8.00 am to 5.30 pm AEST Monday to Friday on **1800 444 396**.

Once again, thank you for being a valued member of Brighter Super.

Yours sincerely,



Kate Farrar
CEO, Brighter Super