

29 April 2022

Changes to our products

I am writing to let you know about some recent and upcoming changes to our investment fees and options.

You are not required to do anything, but we recommend you review these changes in case you would like to make changes to your investment options.

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

Summary of changes:

- Change to investment fees and indirect cost ratios for all options including MySuper from 31 March 2022.
- Introducing our new low-cost Index Balanced option in June 2022.
- Changes to our SR Balanced option in June 2022.

Changes to investment fees from 31 March 2022

On 31 March 2022, the investment fees and indirect cost ratios for our investment options were changed, as outlined in the tables further below.

For most investment options, the total of investment and administration fees have reduced, including reductions for our default MySuper option, Aggressive, Diversified Growth, Balanced, Socially Responsible Balanced, International Shares, Australian Shares, Property and Diversified Fixed Interest options.

For members in the MySuper option, the total of investment and administration fees has reduced by approximately 32%. The MySuper option is the default investment option for members with an Accumulation account who have not made an investment choice.

This fee reduction results from cost-saving changes we made to the Strategic Asset Allocation including cost savings made in the management of Australian, International Shares and Private Equity asset classes.

For the Stable, Defensive, Socially Responsible Australian Shares and Cash options, fees are increasing. The increases are a result of changes in asset allocation on some options as well as performance fees paid to investment managers, primarily in the real assets portfolio which includes assets such as Property and Infrastructure along with Private Equity.

For further information about your investment options, refer to the *Investment Choice Guide* for your account, available at lgiasuper.com.au/pds.

The tables below show the overall changes to the investment fee and indirect cost ratio for all options. We have also included example figures to show how this could affect an account balance of \$50,000 which includes the administration fee of 0.18%.

Accumulation investment option	Administration fee % p.a.	Investment fee % p.a.	Indirect Cost Ratio % p.a.	Total Indirect fee % p.a.	Cost per \$50,000	Investment fee % p.a.	Indirect Cost Ratio % p.a.	Total Indirect fee % p.a.	Cost per \$50,000
MySuper	0.18	0.26	0.62	1.06	\$ 530	0.18	0.36	0.72	\$ 360
Aggressive	0.18	0.29	0.58	1.05	\$ 525	0.25	0.57	1.00	\$ 500
Diversified Growth	0.18	0.26	0.62	1.06	\$ 530	0.24	0.55	0.97	\$ 485
Balanced	0.18	0.24	0.59	1.01	\$ 505	0.22	0.55	0.95	\$ 475
Stable	0.18	0.19	0.39	0.76	\$ 380	0.21	0.53	0.92	\$ 460
Defensive	0.18	0.17	0.24	0.59	\$ 295	0.19	0.34	0.71	\$ 355
International Shares	0.18	0.36	0.09	0.63	\$ 315	0.24	0.05	0.47	\$ 235
Australian Shares	0.18	0.34	0.07	0.59	\$ 295	0.29	0.05	0.52	\$ 260
Property	0.18	0.13	1.11	1.42	\$ 710	0.23	0.96	1.37	\$ 685
Diversified Fixed Interest	0.18	0.21	0.03	0.42	\$ 210	0.14	0.08	0.40	\$ 200
Cash	0.18	0.03	0.00	0.21	\$ 105	0.03	0.01	0.22	\$ 110
Socially Responsible Balanced	0.18	0.08	1.10	1.36	\$ 680	0.09	0.64	0.91	\$ 455
Socially Responsible Australian Shares	0.18	0.42	0.07	0.67	\$ 335	0.45	0.06	0.69	\$ 345

Pension investment option	Administration fee % p.a.	Investment fee % p.a.	Indirect Cost Ratio % p.a.	Total Indirect fee % p.a.	Cost per \$50,000	To 30 March 2022		From 31 March 2022	
						Investment fee % p.a.	Indirect Cost Ratio % p.a.	Total Indirect fee % p.a.	Cost per \$50,000
Aggressive	0.18	0.29	0.56	1.03	\$ 515	0.25	0.57	1.00	\$ 500
Diversified Growth	0.18	0.26	0.58	1.02	\$ 510	0.24	0.55	0.97	\$ 485
Balanced	0.18	0.24	0.56	0.98	\$ 490	0.22	0.55	0.95	\$ 475
Stable	0.18	0.19	0.41	0.78	\$ 390	0.21	0.53	0.92	\$ 460
Defensive	0.18	0.17	0.24	0.59	\$ 295	0.19	0.34	0.71	\$ 355
International Shares	0.18	0.36	0.09	0.63	\$ 315	0.24	0.05	0.47	\$ 235
Australian Shares	0.18	0.34	0.07	0.59	\$ 295	0.29	0.05	0.52	\$ 260
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Changes to our investment options

LGIAsuper's recent merger with Energy Super is enabling us to broaden and strengthen our range of investment options.

We are making the following changes:

a) Introducing an Indexed Balanced option

From June 2022, LGIAsuper account holders will have access to a new low-cost Indexed Balanced option.

The Indexed Balanced option will have a total fee of 0.28%, comprising an investment fee of 0.10% and an administration fee of 0.18%. For example, the total fee for a \$50,000 account balance would be \$140 per year.

The Indexed Balanced option has a return target of 2.75% per year above inflation over rolling 10-year periods, after fees and taxes. Please note this return target is an estimate and not a guarantee.

The table overleaf shows the asset allocation and range for the Indexed Balanced option.

Asset class	Long term Strategic asset allocation %	Range %
Australian Shares	35	20-60
International Shares	40	20-60
Property	0	0-20
Infrastructure	0	0-20
Private Equity	-	-
Diversifying Strategies	-	-
Diversified Fixed Interest	20	0-40
Cash	5	0-10

b) Changes to the Socially Responsible Balanced option

We are making the following changes:

Two changes are being made:

- Following the merger with Energy Super, from 13 June 2022, LGIAsuper account holders will have access to a new Socially Responsible option, which was established in 2007 as part of Energy Super.
- On 10 June 2022, we will close LGIAsuper's existing Socially Responsible Balanced option. Any members who are invested in this option will automatically be transferred to the new Socially Responsible option, which historically has been a higher performing option. Members will be sent an investment change notification to confirm the change.

The new Socially Responsible option is an actively managed diversified portfolio that invests in a wide range of asset classes. It aims to deliver solid investment performance, whilst also considering environmental, social and governance (ESG) factors alongside financial analysis in investments decisions.

The Socially Responsible option's return target is 3% per year above inflation over rolling 10-year periods after fees and taxes. Please note this is a return target and not a guarantee.

The table below shows the allocation of assets within the Socially Responsible option, effective 31 March 2022. It also shows the range of each asset class, which is the minimum and maximum amount that can be invested.

Asset class	Long term Strategic asset allocation %	Range %
Australian Shares	25	10-40
International Shares	30	15-45
Property	10	0-20
Infrastructure	10	0-20
Private Equity	5	0-15
Diversifying Strategies	0	0-10
Diversified Fixed Interest	10	0-30
Cash	10	0-20

Further information about both options will be available in the *Investment Choice Guide* from 11 June 2022, available on our website at lgiasuper.com.au.

What do you need to do?

If you do not have any concerns, you do not need to do anything, but if you would like to review or change your investment option(s) you can do so at any time by logging in to your Member Online account at lgiasuper.com.au.

We strongly recommend members seek financial advice before making decisions about their investment options. LGIASuper members can receive limited advice on a single topic related to superannuation, such as choosing an investment option, at no additional cost.

We're here to help

For further information please refer to the *Product Disclosure Statement* and the *Investment Choice Guide* for your account – available at lgiasuper.com.au/pds.

If you have any questions or would like to discuss the changes and how they relate to your account, please email us at info@lgiasuper.com.au or call us on **1800 444 396**. We are open weekdays 08.00 am to 5.30 pm AEST. Our team of superannuation specialists and financial advisers are happy to help you.

Yours sincerely,



Kate Farrar
Chief Executive Officer