

Important changes to the indirect cost ratio and reversionary beneficiary nominations

I am writing to let you know that we have changed the indirect cost ratio that applies to a number of our investment options, and we have also improved our reversionary beneficiary nomination process for members with LGIAsuper Pension accounts.

You are not required to do anything, but we recommend you review these changes if you would like to update your account.

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

Changes to indirect costs

Indirect costs cover any amounts that we know, or reasonably ought to know, will directly or indirectly reduce the return on your investments and are not charged to your account as a direct fee. This includes costs such as brokerage and stamp duties. These costs vary from year to year and cannot be precisely known in advance.

Indirect costs are deducted from investment returns before they are applied to your account.

This notice explains that we have changed the percentage rates for our indirect costs and full details are provided in the table below. The amounts shown under the heading 2021 are the costs calculated for the 12 months to 30 June 2021 and are effective from 20 December 2021.

INDIRECT COST RATIOS		
Accumulation investment option	2021 % p.a.	Per \$50,000 invested
MySuper	0.62%	\$310
Aggressive	0.58%	\$290
Diversified Growth	0.62%	\$310
Balanced	0.59%	\$295
Stable	0.39%	\$195
Defensive	0.24%	\$120
International Shares	0.09%	\$45
Australian Shares	0.07%	\$35
Property	1.11%	\$555
Diversified Fixed Interest	0.03%	\$15
Cash	0.00%	\$-
Socially Responsible Balanced	1.10%	\$550
Socially Responsible Australian Shares	0.07%	\$35

INDIRECT COST RATIOS		
Pension investment option	2021 % p.a.	Per \$50,000 invested
Aggressive	0.56%	\$280
Diversified Growth	0.58%	\$290
Balanced	0.56%	\$280
Stable	0.41%	\$205
Defensive	0.24%	\$120
International Shares	0.09%	\$45
Australian Shares	0.07%	\$35
Property	1.11%	\$555
Diversified Fixed Interest	0.03%	\$15
Cash	0.00%	\$-
Socially Responsible Balanced	1.10%	\$550
Socially Responsible Australian Shares	0.07%	\$35

Why have these changes been made?

LGIAsuper has performance fee arrangements with some of our investment managers. Part of these arrangements include performance fees if the investment manager outperforms a set benchmark.

The strong returns we delivered for members during the 2020/21 financial year resulted in an increase in performance-related costs, particularly with options with investments in unlisted assets classes such as private capital, property, and infrastructure.

As a profit-for-member fund, we strive to keep our fees and costs as low as possible. However, we also believe investments in some unlisted asset classes can help reduce the level of risk whilst growing our members' super balances over the longer term.

What do you need to do?

You do not need to do anything. If you would like to find out more about our fees, visit lgiasuper.com.au/fees or you can refer to our *Product Disclosure Statement (PDS)* for your account.

If you would like to review or change your investment option(s), you can log in to your Member Online account at lgiasuper.com.au. You can also refer to the *Investment choice guide* for your account for alternative ways to submit an investment switch.

The PDS and *Investment choice guide* for your account are available at lgiasuper.com.au/PDS.

Investment fees and costs vary yearly and cannot be precisely calculated in advance. The amount you pay depends on the investment option(s) you choose, and the fees and costs incurred in managing your investments.

Details of the investment option(s) that your account balance is invested in can be seen by logging into your account at lgiasuper.com.au.

Changes to reversionary beneficiary nominations (for Pension accounts)

From 20 December 2021, members with LGIASuper Pension accounts can change their reversionary beneficiary nomination at any time.

Previously, members could only make a reversionary beneficiary nomination when starting a Pension account, but they could not change their nomination unless they started a new Pension account.

In the event of your death, a reversionary beneficiary nomination allows your pension payments to be paid to your beneficiary (generally your spouse). A reversionary nomination is binding on the LGIASuper Trustee. This means that we are bound by law to pay your benefit according to your nomination (provided your nominated beneficiary is an eligible dependant).

You can now update or remove your reversionary beneficiary nomination by completing a *Reversionary Beneficiary Nomination form*, available at lgiasuper.com.au/forms.

Please read the *Pension Accounts PDS* for full details, available at lgiasuper.com.au/PDS.

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. We are open weekdays 8.00 am to 5.30 pm AEST.

Yours sincerely,



Kate Farrar
Chief Executive Officer