

# Information about *your super*

From time to time, we make changes to our products and services because of new legislation or procedures. This section will keep you up to date with recent developments.

## Pro-rata fees and premiums will be charged for part of a month

Administration fees and insurance premiums are deducted from your account at the end of each month. From 15 August, if fees or premiums are payable for only part of a month, the amount is calculated daily and charged at the end of the month or when you leave the fund.

## New rules for after-tax contributions

In the Federal Budget on 3 May, the government proposed a new lifetime cap of \$500,000 for after-tax (non-concessional) contributions which included all non-concessional contributions made since 1 July 2007. In September the government scrapped this and replaced it with a new proposal to reduce the current after-tax contributions cap to \$100,000 per year. The new proposal allows you to 'bring-forward' three years' worth of the cap if you are

under 65. The current cap allows you to make after-tax contributions of \$180,000 a year (or \$540,000 every three years if you are under 65).

## Increase to the co-contribution income thresholds

On 1 July 2016, the income thresholds for the government co-contribution increased. The co-contribution is a government payment to lower-income earners who make after-tax super contributions. The maximum payment is \$500 each financial year, paid directly to your super account. To receive the maximum payment, you must make after-tax contributions of \$1,000 and your income must be \$36,021 or less (previously \$35,454). The payment is reduced as your income rises to an upper threshold of \$51,021 (previously \$50,454).

To check if you are eligible, see our fact sheet *Low-income super support options* available from [firststatesuper.com.au/factsheets](http://firststatesuper.com.au/factsheets).

## Updates to investment fees, performance-based fees and indirect cost ratios

We have updated the investment fees, performance-based fees and indirect costs for our investment options. These amounts are incorporated into the unit price calculation and are not directly deducted from your account. As a guide the table below shows estimates of these fees and costs (and total estimated dollar amounts).

Investment option	Investment fees % per year <sup>2</sup> (excluding performance-related fees)	Estimated performance-related fees % per year <sup>3</sup>	Estimated indirect cost ratio % per year <sup>4</sup> (excluding performance-related fees)	Estimated total investment fees and indirect cost ratio expressed as \$ per \$50,000 <sup>5</sup>
High Growth	0.46%	0.03%	0.10%	\$295
Growth <sup>1</sup> (previously Diversified)	0.42%	0.03%	0.09%	\$270
Diversified Socially Responsible Investment	0.51%	0.04%	0.12%	\$335
Balanced Growth <sup>1</sup> (previously Balanced)	0.39%	0.03%	0.08%	\$250
Conservative Growth (previously Capital Guarded)	0.27%	0.02%	0.04%	\$165
Australian Equities	0.08%	0.00%	0.00%	\$40
Australian Equities Socially Responsible Investment	0.57%	0.00%	0.00%	\$285
International Equities	0.09%	0.00%	0.00%	\$45
Property	0.76%	0.09%	0.18%	\$515
Australian Fixed Interest	0.07%	0.00%	0.00%	\$35
International Fixed Interest	0.10%	0.00%	0.00%	\$50
Cash	0.07%	0.00%	0.00%	\$35

<sup>1</sup> The fees shown are the same for MySuper and Choice members.

<sup>2</sup> Investment fees are estimated for the 12 months to 30 June 2017.

<sup>3</sup> Performance-related fees are the sum of performance-related fees of the fund estimated for the 12 months to 30 June 2017 and the performance-related fees of underlying investments calculated for the 12 months to 30 June 2016.

<sup>4</sup> The indirect cost ratio is calculated for the 12 months to 30 June 2016.

<sup>5</sup> This is the combined total of the investment fee, performance-related fees and total indirect costs expressed as dollars for each investment option.



### We are moving to a new custodian

We are moving to a new custodian, State Street Australia Limited (ABN 21 002 965 200; AFSL 241419), towards the end of 2016. Our current custodian is JP Morgan Chase Bank, N.A.

## Revised investment objectives

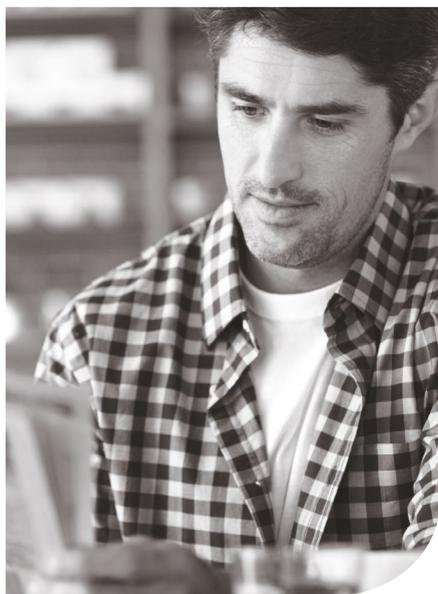
On 15 August, we changed the investment objectives for a number of our investment options to provide clearer benchmarks. The new Balanced Growth objective also takes the current low-return environment into account.

Investment option	New objective
Balanced Growth (previously Balanced)	CPI + 2.75% pa over rolling 10-year periods net of tax and fees.
Australian Equities	To track the S&P/ASX 300 Index (dividends reinvested), after fees.
Australian Equities Socially Responsible Investment	To outperform the S&P/ASX 200 Index (dividends reinvested) over rolling 5 year periods, after fees.
International Equities	To track the MSCI World Index ex-Australia Net Dividends Reinvested (unhedged in Australian dollars), after fees.
Property	To outperform a combined index, the FTSE EPRA/NAREIT Developed Rental Index (hedged) and CPI + 5% over rolling 5 year periods, after fees.
Australian Fixed Interest	To track the Bloomberg AusBond Composite 0 + Yr Index, after fees.
International Fixed Interest	To track the Barclays Global Aggregate Float Adjusted Index fully hedged to Australian dollars, after fees.
Cash	To track the Bloomberg AusBond Bank Bill Index, after fees.

## Confirmation of earlier proposals

Since 1 July 2016, the following proposals disclosed in the February 2016 issue of *SuperNews* have been fully implemented:

- ➔ the International Equities option has been unhedged, which means members in this option are fully exposed to currency movements;
- ➔ the asset allocation for the Property option has changed from 65% unlisted/35% listed to 65% listed/35% unlisted property. This change improves diversification, reduces investment fees and strengthens liquidity;
- ➔ the change to our unit pricing model was implemented on 15 August.



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## MySuper return targets adjusted

Our MySuper product dashboard provides key information on investment performance, investment risk and fees so you can compare MySuper options offered by different super funds. From 1 July 2016, the MySuper return targets for the 10-year period changed to:

MySuper option	New return target	Previously
Growth (previously Diversified)	CPI + 3.35% pa	CPI + 3.0% pa
Balanced Growth (previously Balanced)	CPI + 2.65% pa	CPI + 2.3% pa

MySuper return targets are calculated using a formula prescribed by the government, which means that they differ from the investment objectives for these options. Our MySuper product dashboard is under the **Investments & performance** tab on our website.

## Changes to two risk measures

The Standard Risk Measure (SRM) shows an option's risk band and label, which can range from 1 (very low) to 7 (very high). The SRM allows members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period.

The ratings for the following investment options changed as a result of our recent annual review (previous ratings shown in brackets). The ratings for our other investment options have not changed.

	Risk band	Risk label	Expected frequency of negative returns
Australian fixed interest	6 (5)	High (Medium-high)	4.9
International fixed interest	5 (3)	Medium-high (Low-medium)	3.2

For more information see *Guidelines for measuring investment risk* under **Understanding investments and risk** on our website.

## Build a great LinkedIn profile

### Always have a professional profile photo

While you can have fun and go crazy with your Facebook photo it's probably good to tone things down a bit and think through how you want to portray yourself to your potential employers. Stick to a professional head shot with appropriate clothing and neutral background.

### Fill out as much of your profile as possible

This includes skills, volunteer associations, education, etc. This is the place to put all the interesting stuff that doesn't fit on your resume, but paints you as a well-rounded individual.

### Join groups

Join groups within your industry as they increase your profile with peers, colleagues and potential employers. Being actively involved in these groups could lead you to make new connections and maybe land a new job, especially since job listings are a common sight in these groups.

### Follow companies in your industry

Most companies have LinkedIn pages they regularly update with career opportunities, jobs and news that could help you in your career.



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