

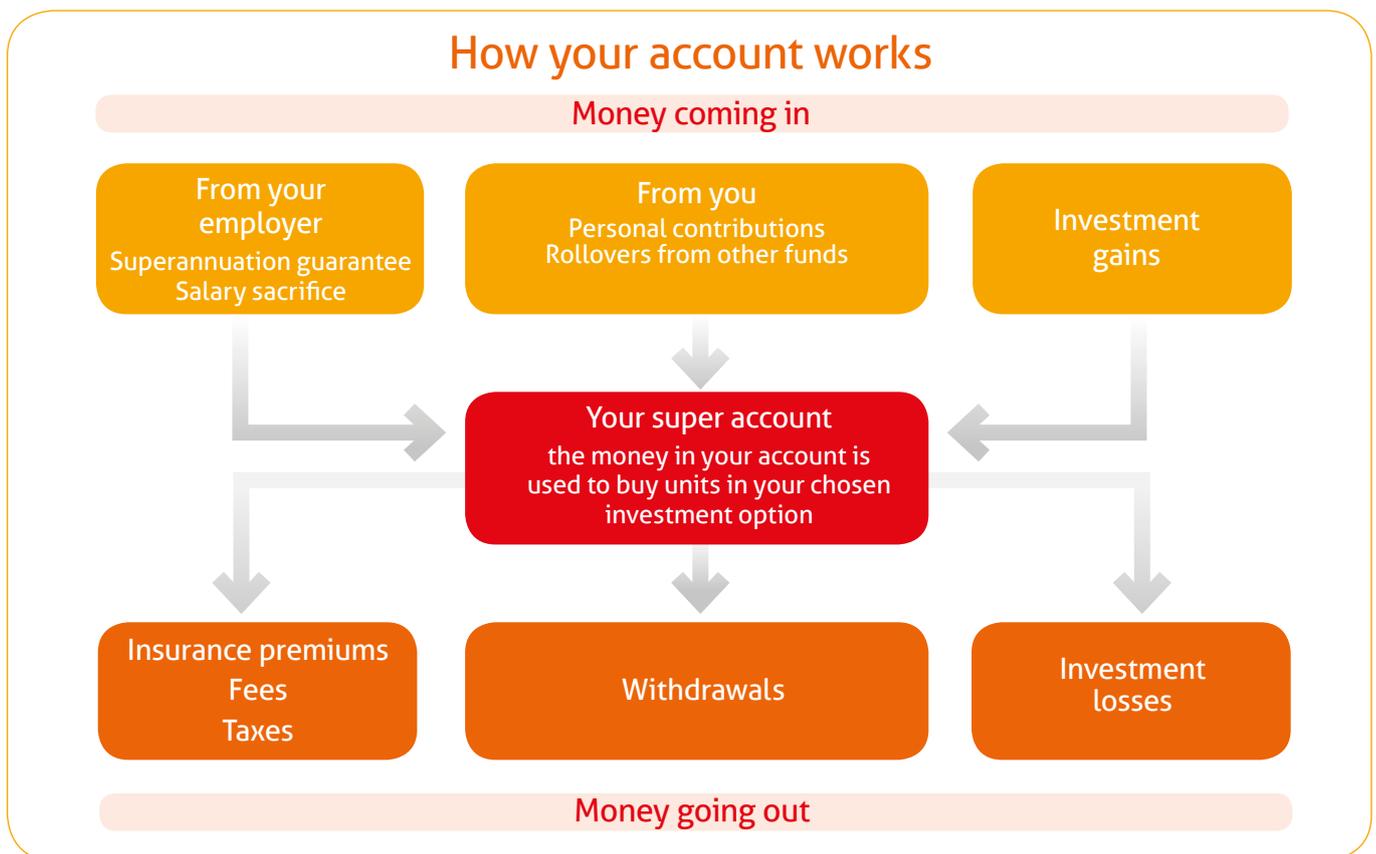
Unit pricing and your super account



When you join First State Super, and we receive contributions from you (or paid on your behalf), we set up an account in your name and issue you with a number of units. This fact sheet explains how units and unit pricing work.

While you're working, your super account has money coming in and going out

Money comes into your account from different sources – from you, your employer, your spouse, from another fund (if you roll in some money), and maybe even from the government if you're eligible for a co-contribution or the low income superannuation tax offset. Taxes, fees, insurance premiums and eventually the withdrawals you make from your super are deducted from your account.



The money in your super account is used to buy *units* in the *investment option* you choose. If you don't choose an option, your money will be automatically invested in the *default* option.

So money coming into your account *buys* units in your chosen investment option, and we *sell* units when money has to come out of your account.

The *number* of units that are bought or sold depends on the *unit price* of your chosen investment option.

i You have a choice of investment options that are invested across a range of asset classes including shares, property, fixed interest and cash. See the *Member Booklet Supplement: Investments* or the *Member Booklet for Income Stream members* for details of the options you can choose from.

The unit price determines your account value

When you invest in a particular investment option, your money is pooled with the money of all the other members invested in that option. Each business day, the investment pool for each option is divided into units. Every unit you hold represents your share of the investment option. The value of each unit is called the *unit price*.

$$\text{Unit price} = \frac{\text{Net market value of the assets held held in an investment option}}{\text{Total number of units in that option}}$$

In simple terms, the net market value of the option's assets is the total market value less an allowance for income tax, capital gains tax and investment expenses.

Example

- Kate contributes **\$1,000** to the Balanced Growth option
- Current unit price is **\$2.00**, which means she receives **500** units ($\$1,000 \div \2.00)
- Markets perform well and the unit price rises to **\$2.20**
- Kate's account balance is now **\$1,100** ($500 \times \2.20)

Because the total pool of money for investment is very large, you can access investments that wouldn't normally be affordable or available to individual investors. These might include things like a large hospital or an airport. In conjunction with our investment managers, we research and choose the best assets to buy and sell.

You can find out more about the investments our fund managers hold on our website under **Investments and performance**.



How often are unit prices updated?

We calculate unit prices each *business day*. Unit prices move up and down each day in line with the performance of the assets in which the option invests. When returns are positive, the unit price will go up and when returns are negative, the unit price will go down.

In this way, all investment earnings (or losses) are reflected in the unit price of each investment option, and your account balance will move up and down in line with these movements.

It's important to remember that while prices are declared for each business day, it is **two business days** before the prices are available. This time is needed to calculate the value of the assets we invest in and the number of units on issue. We need these valuations before we can accurately calculate the unit price for all of our investment options.

You can view the current and historic unit prices for all the fund's investment options on the unit prices page, located under **Investments and performance** on our website.

Get online to keep in touch with your super

It's easy to manage your super online. Once you've registered for online access, you can check your balance, change your investment strategy, update your details and much more. To register, click on the 'Login' icon on the home page of our website and follow the prompts.

We'll also send you an account statement twice a year. You can receive your statement in soft (online) or hard (paper) format.



You can check your account details online at any time at [firststatesuper.com.au](https://www.firststatesuper.com.au).

Why are there different unit prices for the retirement income stream investment options?

We offer an **accumulation** fund that is used to 'accumulate' retirement savings while you're working and includes our transition to retirement income stream, and a retirement **income stream** that pays you a super pension when you retire. The accumulation fund pays tax on its investment earnings but the retirement income stream doesn't. So even though both sets of unit prices are based on the same underlying investments, the different tax treatment means that the unit prices for the same investment option in the accumulation fund and retirement income stream will always be different.

Do unit prices apply to all accounts?

No, unit prices don't apply to defined benefit accounts, including deferred benefit accounts and lifetime pensions.



Contact us

Phone 1300 650 873

Fax 1300 722 072

Email enquiries@firststatesuper.com.au

Web [firststatesuper.com.au](https://www.firststatesuper.com.au)

Post PO Box 1229
Wollongong NSW 2500

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