Reaching for the sky

Meet astronomer and DECRA Fellow at the University of Melbourne, Benedetta Vulcani

How can astronomy help us understand ourselves?

Inside this issue:

- We look at UniSuper investments around Australia
- Our new podcast launches
- Investing in our community – what’s UniSuper doing to give back?
- Changes to super

Finding stability in changing times

MAKING RETIREMENT SAVINGS LAST

Financial advice—can you set and forget?
Message from the CEO

Hello and welcome to the first edition of Super Informed for 2017. The past 12 months have been a period of great achievement for UniSuper. We expanded the scale and capability of UniSuper Advice to meet member demand, further improved our operations behind the scenes, and launched our Live Chat service, making it easier than ever for you to interact with us online.

As we mentioned in the last issue of Super Informed, the pace of change in our daily lives shows no signs of abating.

2016 seemed particularly packed with surprises. Our own federal election in July reorganised the Parliament in ways that surprised many. The UK voting to leave the European Union and the outcome of the US presidential election had some immediate impacts on world markets. At the time of printing, markets appear to have stabilised in the short term. Nevertheless, many of you have been asking what all this instability might mean for your super.

So, in this issue of Super Informed, we’re shining a light on some of the things we’re doing to help you to be confident in your super journey with us in these often unpredictable times.

INDUSTRY AWARDS
One consistent theme in 2016 was UniSuper being recognised with a string of awards from Australia’s top ratings and research agencies—including four of the five major ‘Fund of the Year’ awards up for grabs.

We’re not in this business to strive for accolades, but it’s nice to be acknowledged for things we work hard to excel at, like member services and engagement, product innovation, sustainability, investment quality and insurance.


INVESTMENT PERFORMANCE
As I’m sure many of you know, 2016 was a challenging year for investment markets around the globe, and performance across our investment options was more subdued than in previous years. The good news is that over the long term, we’ve fared very well against other funds, with our Balanced investment option—our default accumulation option, and the one most members are invested in—returning 5.9% p.a. over the 10 years to 30 November 2016.¹ This is an excellent result when compared to a median return of about 5.1% p.a. across all surveyed funds over 10 years.¹,²
A key driver of these solid returns has been our holdings in listed property and infrastructure, which have provided strong overall performance despite some falls in late 2016. Pleasingly, exposure to these assets has also boosted the investment performance of our Defined Benefit Division (DBD).

For more details on our investment performance and holdings—and monthly market commentary from our Chief Investment Officer, John Pearce—visit unisuper.com.au/investments.

AND DON’T FORGET
Providing you with greater retirement outcomes, while constantly innovating to deliver better products and services, remains at the heart of what we do at UniSuper.

On page 14, our UniSuper investments trip around Australia might shed some light on some of the tangible things your hard-earned super savings may be invested in. And on page 3, the work of members like Benedetta Vulcani, astronomer at the University of Melbourne, reminds us to put world events and our other earthly pursuits into perspective.

I hope you enjoy this edition of Super Informed and the year ahead.

Tune in to our new podcast!

Stay updated, informed and entertained with our new podcast series, Super Informed Radio.

We tackle the topics you need to know about, and help you through super’s complexities. You can listen anytime, anywhere.

Go to unisuper.com.au/podcasts.

1 Past performance is not an indicator of future performance.
2 After fund expenses and taxes, but before account-based fees.
Reaching for the sky

An astronomer and global traveller, UniSuper member and DECRA Fellow at the University of Melbourne, Benedetta Vulcani, has a unique perspective of the world. We spoke with her from her home country—Italy.

I've always been interested in astronomy. When I was a kid and I'd go to my grandma’s house in my home town, I always passed through the observatory and thought, ‘when I grow up, I want to work here’. I was fascinated by astronomy and studying stars because it’s something so far away from us, and because it allows me to follow my natural curiosity—to understand ‘what’s going on over there’.

The finite goal of astronomy is to understand galaxies because the very final aim is to really understand how the Earth and life was born. It allows us to get closer to understanding why we’re here. What intrigues me is that we’re just a small planet in this huge universe, and it’s likely we’re here simply by coincidence—we don’t know why we’re here. On one hand, it’s scary because it feels like we’re just here by chance, and so we don’t matter at all in the universe. But on the other hand, we’re the lucky ones because we’re here. We don’t know why, but we made it!

My field is extragalactic astrophysics. I’m studying how the properties of galaxies (which are groups of stars) evolved—how they’re formed and how they change with time. In particular, I’m trying to characterise the environment in which galaxies reside—how many are isolated in the universe and how many are in groups of different sizes and what influence their spatial distribution has on their life.

I’m finding that the distribution of stellar mass isn’t dependent on the environment. In essence, this means it doesn’t matter where a galaxy is located—it always follows the same distribution of mass. It’s quite exciting because previously it was thought that the distribution was determined by a galaxy’s location in the universe.

The Discovery Early Career Researcher Award (DECRA) fellowship was quite an achievement for me. It allows me to attend conferences, develop my research and share my work. It also reflects how well the university is supporting me in my research.

People might be surprised to know that there are actually very few telescopes in the world, and not many people who actually do the ‘observing’. These days, we tell the astronomer at the telescope what we want to observe. They observe on our behalf and send back the data. One night of observation produces data for weeks of work! We don’t physically go there—as long as I have an internet connection and some powerful machines, I can work from anywhere in the world.
I’ve moved and travelled a lot in my career. In astronomy, it’s very important to see how other people work and explore the opportunities that different universities offer. In this field, it’s important to be part of a wide network.

What I love most is that astronomy allows me to work out of curiosity and passion. Yes, there are limits—budgets, etc.—but essentially, we can just explore our ideas and ‘follow our dreams’. Every day is different, every day there is something new, and so it’s never boring. It’s tiring, but never boring!

While it’s still a long way off, when I retire I think I’ll stop working completely! I think I’ll stay with my family or travel—relaxing or taking up hobbies—but nothing related to the work that I’ve been doing for my entire life.

TAKE A CLOSER LOOK AT YOUR INVESTMENTS
See how your super’s invested, what your major holdings are, how it’s performing, and even compare your investment options to the other options UniSuper offers. Log in to MemberOnline or go to unisuper.com.au/investments.
Finding stability in changing times

There’s no denying the pace of change has accelerated exponentially in recent years. Technology has no doubt played an enormous role—but the footprint of change is visible in almost all aspects of our lives.

From the way we consume and interact with media, to world and local politics, business and career trajectories, our health and family relationships—very few parts of modern-day life remain untouched by change.

It’s fair to say that for many, the pace of change—even just in super—can seem overwhelming. It can leave us feeling at sea and seeking a sense of reassurance.

Super is no exception, with the 2016 Federal Budget once again putting super reform firmly in the spotlight.
How can UniSuper help?

Super can be one of your most significant financial assets, alongside your home and ability to earn an income—so it’s important to feel confident that your super fund is in your corner.

1. WE’RE FOCUSED ON STRONG LONG-TERM PERFORMANCE
The performance of your investments over the long term is what will have the greatest impact on your retirement savings.

Although there’s no guarantee that past performance will be repeated, we’re proud that our Balanced investment option—where most members are invested—has delivered 5.9% p.a. over the 10 years to 30 November 2016.¹

2. WE WORK HARD TO KEEP YOU INFORMED
In addition to sending you six-monthly statements, we help you keep track of your super with 24/7 online access to your account through MemberOnline.

We also let you know about any changes that could affect your super through this magazine and our website, as well as through emails, letters, news updates, webcasts, seminars—and now podcasts (see page 1).

Our Chief Investment Officer (CIO), John Pearce, also provides his insights in a monthly investment market update and through our Five questions for the CIO videos, which we introduced in 2016.

3. WE’RE ONE OF AUSTRALIA’S MOST AWARDED FUNDS
Australia’s top ratings and research agencies analyse super funds each year to identify and recognise funds that consistently deliver great value, relevant service and strong performance for their members.

We know that what matters most to you isn’t the awards we win, but what’s in your pocket at retirement.

But we believe being named Super Fund of the Year by four different research houses in 2016—as well as winning a string of other awards—is testimony to our unwavering focus on delivering greater retirement outcomes for you, our members.²
4. WE HELP YOU MAKE SMART DECISIONS
We have many helping hands on offer to guide you through super’s complexities.

Our on-campus consultants are now based at 36 universities, and they travel to others across Australia. Our nationwide seminars give you the opportunity to learn more and ask questions about all sorts of super and pension-related topics.

UniSuper Advice—our in-house financial advice service—can help you deal with any complex financial decisions you’re facing.

Our online videos, webcasts, tutorials and calculators also allow you to take things at your own pace. And our Member Services team is more than happy to help you with any queries you have.

Advice provided the assurance Gary needed

I’d been a UniSuper member for almost 17 years when a fantastic opportunity as Dean and Professor of an overseas business school came my way. I immediately sought advice from UniSuper Private Client Adviser, Gina Abuda. The service Gina provided was exceptional—helping me determine my financial goals, both before and after retirement.

Given the very high quality of advice I received, I decided to stay with UniSuper, despite my move overseas. I can rest easy knowing that my funds are in safe hands.

And Gina still checks in with me via email from time-to-time. How’s that for personal care and attention?

Professor Gary J. Stockport,
Dean and Professor in Strategy
SP Jain School of Global Management Dubai
1. MAINTAINING YOUR DESIRED LIFESTYLE DURING RETIREMENT
Australians are living longer than ever before. If you hung up your hat at age 65 and live to 90, would your money last the distance?

Along with your everyday living costs, your budget’s likely to include some big-ticket items like a new car, home repairs or renovations, holidays, and health-related expenses and support down the track.

Take a look at our Retirement income calculator at unisuper.com.au/calculators to see if your balance will meet your desired yearly income and planned expenses during retirement.

2. BUDGETING FOR LIVING EXPENSES IN RETIREMENT
A key step to maintaining your retirement lifestyle is having a clear budget in place now. It’ll give you a firm idea of how much income you’re likely to need in future.

If it turns out there’s a big gap between how much money you’ll need and how much you actually have, there are a number of options you could consider to make it work.

While not always simple—and clearly not for everyone—these can include:

- earning more
- spending less
- saving more, and
- adjusting your investment strategy.

A qualified financial adviser can give you a better idea of the steps you could take to achieve your retirement dream. You also might want to take a look at our online Budget planner to give you a clearer view of your financial ins and outs.

5 things to consider when making retirement savings last

Retirement should be a time to reap the rewards of your working life. But enjoying your preferred lifestyle, over what could be decades, calls for some planning. Here are five things to keep in mind.
3. THERE’S THIS THING CALLED LONGEVITY RISK …
… and it’s the risk that you’ll outlive your retirement savings and have to rely on safety nets like the Age Pension. Strategies you can look into—and that an adviser can help you with—include:

→ preparing that budget!
→ considering ways to maximise your Age Pension entitlement
→ considering the different income streams available through super, including an ‘annuity’ or indexed pension—a type of product that provides regular pension payments for a fixed term or for life.

As part of managing risk, it’s also important to review your investment strategy. Having a mix of growth (higher risk) and defensive (lower risk) assets can help you achieve a balance between protecting your capital against inflation and short-term market fluctuations.

4. SHOULD YOU INVEST MORE CONSERVATIVELY IN RETIREMENT?
There’s a popular belief that you should invest conservatively in retirement to help protect the money you have. While playing it safe has its merits, it can also be risky if it doesn’t generate the level of income you need to live comfortably for the rest of your life.

Investing conservatively could also mean that your returns don’t keep up with inflation—potentially eating into your retirement savings. That’s why it’s important to consider investment strategies that have the potential to grow above inflation over time—particularly if your pension’s going to stay invested for many years.

This doesn’t necessarily mean you should chase high returns by pursuing a more aggressive investment strategy. Investing all your hard-earned retirement savings in an aggressive strategy can be just as risky as being overly conservative. Growth assets like shares generally have a higher return potential, but they’re also subject to market volatility, which can have a negative impact on your balance in the short term.

For each of our investment options, we provide suggested minimum investment timeframes and state the expected frequency of negative returns, as well as other useful information to help you understand your choices.

5. SET FINANCIAL GOALS, THEN RE-EVALUATE THEM REGULARLY
Planning for and managing the financial aspects of retirement can seem complicated, and it’s an area where good financial advice can make a difference—as well as providing reassurance and support.

Goals and decisions you make early on—and then tweaking them over time, if you need to—can set you up for a retirement free from concerns over money matters.

Speaking to a qualified financial adviser through UniSuper Advice can help you decide on the sort of retirement you can comfortably afford, how to invest for your needs, and find the best way to make your hard-earned super last the distance.

NEED HELP?
Call UniSuper Advice on 1300 331 685 to find out more.

1 http://bit.ly/1bJhA3i
Investing in our community

UniSuper exists to support people who work in the higher education and research sector—but our story doesn’t end there.

We’re passionate about building meaningful partnerships with universities and our employers. And since 2013, we’ve been giving back to both the finance and university sectors by helping prepare the next generation of future leaders.

We’re now helping high-achieving finance students from universities across the country by offering them invaluable exposure to institutional investing—through innovative board-room programs developed and run exclusively by UniSuper.

The workshop, *A Practical Guide to Institutional Investing*, offers final-year finance students the opportunity to take the principles and theories they’ve studied throughout their course and apply them to the real world, using UniSuper as an example. Our team of investment experts, headed by our Chief Investment Officer, John Pearce, gives students an insightful learning experience in applying their years of classroom studies into practice.

“We understand that work-based learning as an educational framework is increasing in popularity, and the finance and investment sector is a great example of how it can work well—giving students a real sense of how it all works, using us as an example.”

The tailored course offers students:

- in-depth knowledge about investment funds and managing various asset classes
- the ability to get hands-on with investments
- an invaluable networking opportunity with investment professionals, and
- an interactive role-play allowing them to determine an appropriate mix of assets for an investment portfolio based on various economic and financial data.

But most importantly, the workshop aims to provide essential skills finance students require to ensure they’re well-equipped to stand out in the competitive job market.

So far, we’ve held workshops at La Trobe University, the University of Melbourne, the University of New South Wales, Queensland University of Technology and Monash University, just to name a few. They continue to receive overwhelmingly positive feedback from the universities and participating students.

OUR CONTINUED SUPPORT

Supporting our community is important to us. In addition to giving back to universities through our workshops and presentations to students, we also support a number of industry events within the higher education and research sector.

Grants and sponsorship opportunities are small ways we can help give back to our community.

We’re proud supporters of:

- AFR Higher Education Summit (higher education awards)
- Australian Association for Research in Education (AARE)
- AHEIA HR Benchmarking Conference and AHEIA HR/IR Conference
- CEDA membership and we sponsored the VC Panel Discussions in Qld, NSW and WA
- CEDA lunch: Digital transformation in the tertiary sector
- National Press Club, ‘Science meets Parliament’ conference lunch
- Universities Australia conference
- Australian Association of Gerontology (AAG) Conference
- DASSH Conference.
Getting the balance right

Tapping into the tertiary sector’s collaborative, knowledge-sharing community—and getting the work/life balance right—is all in a day’s work for The University of Adelaide Project Officer, Melissa Mignone.

I really wanted to work for The University of Adelaide because I had a great experience when I studied here. As an employee, I find the culture just as welcoming and positive. The university also actively promotes and supports a work/life balance, which I think is important.

As Project Officer, Enterprise Agreement, you could say I have a hand in the university’s ‘rule book’. An enterprise agreement is an agreement between an employer and its employees on the terms and conditions of employment that has to be agreed to by the Fair Work Commission.

I’m finding the background to the enterprise bargaining process really interesting. I also have the opportunity to engage with HR professionals at other universities around Australia who are developing their own enterprise agreements. This spirit of collaboration and knowledge sharing is invaluable, as we work towards the same goal.

Working in the human resources department, I find that, not only do we enjoy a great culture and provide an important service to the University, we also recognise the work of our peers and encourage everyone to bring out their best. Our reward and recognition program allows us to learn from colleagues and build on each other’s strengths.

When it comes to my super, I must admit, I’m not particularly engaged with it at the moment. It definitely just bubbles away in the background! My involvement doesn’t extend much beyond checking my statements every now and then.

Having said that, I do feel content that my super is with UniSuper. I have confidence knowing that my super is with a fund that offers options and flexibility for that time in the future when I’m ready to engage more with it.

My ideal retirement would allow me to live comfortably, with enough super to travel and keep busy with family, friends and hobbies. I’d love to take a cruise along the Mediterranean, exploring the amazing destinations along the way. I’d love to volunteer for a community group and expand on my baking capabilities. Anything with chocolate is always best!

ENGAGE WITH YOUR SUPER
We have some great resources to help you get more familiar with your super—including videos, calculators and tools, webcasts, podcasts and more. Head to unisuper.com.au/learning-centre for more.
Imagine you’re doing a round trip of Australia. You might hop onto a toll road to get to your destination more quickly. You might indulge in some retail therapy at a shopping centre or two. You may very well fly to your next destination, visiting a major airport to do so. You may also want to share photos of the places you’ve been, and need mobile reception to do just that. What you may not realise is that, as a UniSuper member, you could be invested in a number of assets that enable all these things, and more. So let’s take a tour around Australia and visit some of our investments.

1. KARRINYUP SHOPPING CENTRE TRUST
   If you’re out and about in Perth, you might want to do a spot of shopping. Karrinyup Shopping Centre, about 12km from the CBD, is one of Australia’s highest quality shopping centres. Along with the other shopping centre operators we have substantial holdings in, it’s what we refer to as one of our ‘fortress assets’. We’ve had a strong focus on retail property investments for a number of years now, and Karrinyup—which we bought outright in 2013—is a great example of that. So next time you’re shopping in Perth, it might be worth checking it out.

2. ADELAIDE AIRPORT LIMITED
   Heading to the Barossa Valley? If you arrive through Adelaide Airport, it might interest you to know that we were one of the founding investors when Adelaide Airport Limited (AAL) was privatised in 1998.

   It’s about 6km from the CBD and is the fifth-busiest airport in Australia, with more than seven million passengers coming through each year. Airports are attractive assets with built-in consumer demand and limited competition—providing investors with a long-term, stable income. They also come with the potential for higher returns resulting from any increase in the capital value of the airport asset itself. UniSuper’s significant (49%) share in AAL provides board representation and strong influence over the asset’s management.
3. TRANSURBAN

Have you ever taken the M1 Eastern Distributor or Lane Cove Tunnel in Sydney? Or used CityLink in Melbourne to get out to the airport? They’re just three of 15 toll roads in Transurban’s portfolio. Transurban manages and develops urban toll road networks in Australia and the USA.

Toll roads typically operate a business model supported by strong market positioning, resilient demand and inflation-linked price increases.

They also typically have low operating costs and, when combined with disciplined capital expenditure plans (for maintenance, road widening, etc.), these investments can generate attractive earnings and dividend yields that are sustainable over the long term.

Did you know that we were one of the founding investors when Adelaide Airport Limited (AAL) was privatised in 1998?

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1 This is not intended to be an endorsement of any company or investment named in this section for inclusion in personal portfolios. The material in this section reflects UniSuper’s views at a particular point in time having regard to factors specific to UniSuper and its overall investment objectives and strategies.
What’s a ‘fortress asset’?

We consider fortress assets to be those that are relatively scarce, with strong market positions. They tend to carry a lower risk of permanent loss of capital, and generate stable, long-term cash flows—making them a natural fit for super funds like UniSuper.

For this reason, many of our investment options have exposure to fortress assets. The Defined Benefit Division’s portfolio is also dominated by large investments in fortress-style property and infrastructure assets.
Financial advice — set and forget?

If you’ve met with a financial adviser, you probably know where you want to get to and how you’ll get there. But life is full of surprises that can affect your finances—so can you ‘set and forget’ your advice? We spoke to UniSuper Advice Private Client Adviser, Stephen Donaghy, to find out.

STEPHEN, ONCE YOU GET ADVICE, IS THAT IT? CAN YOU SIMPLY ‘SET AND FORGET’?

The initial advice we give our members is important because it sets up the framework for their financial future. But a one-off financial plan isn’t generally going to ‘fit’ you and your unique needs without some checking and adjusting over time. We all face changes to our life situation, goals, investments and financial resources—not to mention the fluid political and economic landscape—so it’s important to re-evaluate your plan regularly. Think of it as a regular check-up with your doctor or dentist. Like health checks, regularly reviewing your financial plan will likely identify things you need to adjust before they snowball into something bigger.

UNISUPER OFFERS A ‘REVIEW ADVICE’ SERVICE. WHAT IS IT AND HOW DOES IT WORK?

When members come back for a review, they’re talking to someone who already knows and understands their financial situation and goals, and can answer questions about their investments and overall financial strategy. They don’t have to go back to the start and introduce their situation to us all over again.

Regularly reviewing your financial strategy can also help you to:

…” see how you’re tracking towards achieving your financial goals—which can be really motivating!

…” revise your financial plan if required

…” consider new strategic opportunities and see how they can be incorporated into your financial plan—both now and over time, and

…” review your investment portfolio and adjust if necessary, taking into consideration any changes in your attitude towards investment risk, broader market movements and so on.

WHAT ARE SOME OF THE HOT TOPICS MEMBERS ARE ASKING ABOUT AT THE MOMENT?

Probably the biggest talking point for members lately has been the package of changes to super following the 2016 Federal Budget. Our pension members have also been asking us about changes to the Age Pension assets test, which took effect on 1 January 2017, as it’s significantly impacted some of them.
It’s never too late to plan your financial future

Having spent years building your career and personal life, you may be starting to think about your pre-retirement options, like winding back your work hours or starting a pension. No matter your circumstances or financial goals, a financial adviser with UniSuper Advice can help you plan the retirement you’ve worked hard to achieve.

With a free initial consultation to discuss your circumstances and whether to proceed with obtaining financial advice—plus the possibility of deducting fees for any super-related advice from your super balance—we can help you map out the best options for financing your next chapter. Call UniSuper Advice on 1300 331 685 to make an appointment.

Changes like these may mean members need to revisit their contribution strategy, and can potentially affect their long-term goals and financial plan. Help with these kinds of changes is something we regularly provide to members coming back for their review appointments. These kinds of insights are something you can’t get from a one-off appointment.

What do members seem to like most about the service?

Members often say that the review service provides them with peace of mind and reassurance during times of change. They appreciate the in-depth knowledge we have about their situation and the added reassurance and trust they get to build with us as time goes on.
Changes to super

Legislative update
TREASURY LAWS AMENDMENT (FAIR AND SUSTAINABLE SUPERANNUATION) ACT 2016
AND SUPERANNUATION (EXCESS TRANSFER BALANCE TAX) IMPOSITION ACT 2016

In late 2016, the parliament passed two important superannuation bills that give effect to the Government’s 2016 Federal Budget proposals. Most of these measures will take effect from 1 July 2017, but there are some things you may need to consider leading up to 30 June 2017.

The measures include:

- A new transfer balance cap of $1,600,000 on the amount you can transfer to a pension. Defined benefit pensions will also count towards this limit, based on a calculated special value. If you exceed the cap, a new excess transfer balance tax may apply. We strongly encourage you to seek advice on the options available to you if you’ve exceeded, or are approaching, this cap—particularly if you have a defined benefit pension and/or entitlement.

- A new cap on after-tax (non-concessional) contributions of $100,000 per year (or $300,000 over three years if eligible). There’s also a new limit on making after-tax contributions where your total super balance (across all funds and including pensions) exceeds $1,600,000.

- A lowered before-tax (concessional) contributions cap of $25,000 from 1 July 2017.

- New rules to allow most people to claim a tax deduction for personal super contributions.

- A lowered income threshold ($250,000) at which some members have to pay 30% tax on before-tax contributions.

- A new Low Income Superannuation Tax Offset to refund the 15% contribution tax paid by the fund on certain before-tax contributions.

- Changes to the way transition to retirement pensions are taxed, which involves removing the tax exemption applicable to earnings on some transition to retirement income streams.

- No more ‘anti detriment’ components included for benefit payments relating to death on or after 1 July 2017.

- The ability for eligible members with super balances below $500,000 to make ‘catch-up’ before-tax contributions from 1 July 2018.

There were also measures to allow super funds to develop new retirement income streams, including deferred pensions and annuities, but it may be some time before these new products become available to members. Please note that this is only a brief summary of the changes, and they’re quite complicated. We recommend you seek further advice to understand their potential impact on your personal circumstances. For more information, visit unisuper.com.au/budget.
SUPERANNUATION (OBJECTIVE) BILL 2016
In response to the Financial System Inquiry (FSI), the Government introduced a bill to enshrine the objective of the superannuation system in law. The objective would provide a way to compare competing superannuation proposals and to evaluate future changes to the superannuation system.

The Bill proposes that the primary objective of superannuation is to provide income in retirement to substitute or supplement the Age Pension. While UniSuper supports this primary objective, we suggested a more flexible phraseology:

“To encourage Australians to take retirement benefits predominantly in the form of income streams, with those income streams targeting a percentage of pre-retirement income which varies depending on the level of their pre-retirement income.”

We support an objective along these lines because it more strongly links the objective of super to that of helping retirees maintain their standard of living in retirement.

Status: not yet law

UniSuper update
CHANGES TO INSURANCE, EFFECTIVE 1 OCTOBER 2016
Our insurance administration fee on external insurance cover has reduced. This fee is included in the insurance premiums deducted from member accounts and is shown in the premium rates quoted in the Insurance in your super booklet. The insurance administration fee covers the costs associated with administering our insurance arrangements, and is inclusive of GST and the benefit of any tax credits applicable to the Trustee.

In addition, our Insurer (TAL Life Limited) reduced its premiums for Income Protection cover from 1 October 2016. This, combined with the reduction to our insurance administration fee, has lowered the overall cost of Income Protection cover by 18%.

Our Insurer made no change to its premiums for Death or Total and Permanent Disablement cover. The overall cost of that type of insurance has still reduced by 4.5% though, as a result of the reduction to the insurance administration fee we charge.

We’re sure this will be welcome news for members with external insurance cover through their UniSuper membership.

We’ve updated our Insurance in your super booklet to reflect our reduced insurance premiums—it’s available at unisuper.com.au/pds.
**Important updates**

The following amendments have been made to the UniSuper Regulations and Trust Deed, which govern how the Fund operates.

**THE TRUST DEED HAS BEEN AMENDED TO:**

- Allow for the future introduction of our new default product, FlexiChoice—including the addition of a new division, ‘E’.
- Re-structure our accumulation divisions (without affecting our existing accumulation products) with effect from 1 November 2016.
- Make changes consequential on the above-mentioned changes.
- Enable expanded eligibility to join UniSuper.
- Reduce the level of formality required for employers to participate in UniSuper.
- Enable the Trustee to allow the use of electronic signatures where the Trust Deed or Regulations require documents to be signed.
- Provide more detail about the pension indexation process within FlexiChoice.
- Address housekeeping matters.

**THE REGULATIONS HAVE BEEN AMENDED WITH EFFECT FROM 1 NOVEMBER 2016 TO:**

- Align with the aforementioned Trust Deed changes allowing the introduction of FlexiChoice and the re-structuring of the accumulation divisions.
- Confirm that, where DBD members are on leave without pay and making contributions to maintain full benefits, those contributions may be made as before-tax (concessional) or after-tax (non-concessional) contributions.
- Confirm that Flexi Pension members can change their nominated reversionary beneficiaries.
- Clarify the ‘crystallisation’ process when Defined Benefit Division (DBD) members’ benefits are transferred to accumulation super (upon reaching age 65 or electing to transfer in the first two years of membership).
- Clarify terminology, facilitate more digitalisation (where considered appropriate by the Trustee) and remove redundant references.

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1 An effective date for this change is yet to be decided.
SuperRatings, a superannuation research company, has awarded UniSuper a 10-year Platinum Performance rating for its Accumulation 1 and Accumulation 2 products in 2017. Go to www.superratings.com.au for details of its ratings criteria. SuperRatings does not issue, sell, guarantee or underwrite this product.

Chant West awarded UniSuper ‘Super Fund of the Year’ in both 2015 and 2016—something no other super fund has been able to achieve. Our Accumulation 1 and Accumulation 2 products have received a 5 Apples rating for 2017. We also received the ‘Investments Best Fund’ award in 2015. For further information about the methodology used by Chant West, see www.chantwest.com.au.


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Trustee: UniSuper Limited, ABN 54 006 027 121 / MySuper Authorisation No 91385943850448
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