

28 October 2013

Dear Member,

***New service for members: We can help find and combine your other super***

Some members have told us that they'd like to combine their other super into Australian Ethical, but they don't know where it is, or that the process seems too hard or confusing.

**It's now very easy with our new service for members:**

1. You authorise us to find your other super accounts (by matching your TFN);
2. We will send you a pre-filled consolidation form that you simply need to sign, and send back to our reply paid address;
3. We do the rest, including following up your other funds until they send over your super.

To make your 'Find my super' request, go to **[australianethical.com.au/combine](http://australianethical.com.au/combine)**

It's so easy that all you need to provide is your name, and member number.

*Before combining your super you should consider any exit fees payable when you leave your other fund, and any insurance benefits you may lose. You may be eligible to transfer insurance cover you hold with another fund to Australian Ethical. Call us on 1300 134 337 for more information about insurance.*

***2013 Super Annual Report***

The 2013 superannuation annual report is available at **[australianethical.com.au/super-reports](http://australianethical.com.au/super-reports)**

If you would like us to send you a printed copy, please contact us.

***Changes to fees – better value for members***

We are reducing the investment management fee payable in the Balanced (accumulation) and Balanced (pension) options from 1 December 2013. The investment management fee will reduce to 0.75% p.a. Investment fees are paid from the Fund's assets prior to unit prices being calculated and are not deducted directly from your account.

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At the same time, we are reducing the buy-sell spread that applies to each investment option. A buy-sell spread is a fee to recover transaction costs incurred in relation to the sale and purchase of assets of the Fund. Transaction costs are taxes, duties and other costs such as brokerage. For further information on buy-sell spreads, please refer the Product Disclosure Statement.

Investment option	Buy-sell spread
Defensive	0.00%
Conservative	0.00%
Balanced (pension)	0.01%
Balanced (accumulation)	0.01%
Growth	0.02%
Advocacy	0.02%
International Shares	0.05%
Smaller Companies	0.01%

## **MySuper**

Australian Ethical Super has been authorised to offer a MySuper product.

The government introduced MySuper products to give employees access to default, cost-effective superannuation that provides standard product features, such as default insurance. From 1 January 2014, employers must pay Superannuation Guarantee contributions to a MySuper product for employees that have not made an investment choice.

**This means that we are one of the funds employers can choose as a 'default' option from 1 January 2014.**

**If your employer doesn't yet have Australian Ethical Super as its default fund, you might like to suggest they contact us to discuss making us their default fund.**

From December 2013, all investments in the Balanced (accumulation) option will be attributed to our MySuper product. There will be no change to the way the option is invested however the investment management fees will reduce. Commissions cannot be paid from the Balanced (accumulation) option.

Government legislation limits the types of fee discounts that apply to MySuper products (see below for further information on MySuper). From 1 December 2013, we are unable to apply the large balance discount and association discounts to amounts held in the Balanced (accumulation) investment option. If you are eligible for these discounts, you will continue to receive the discount for benefits you hold in our other investment options.

The protection of low balance members is not allowed in a MySuper product, so we will be ceasing our member protection policy which restricts the fees that can be charged to low balance members.

A small number of members in the accumulation division that are wholly invested in the Conservative option may have an 'accrued default amount'. The government has introduced legislation that requires us to transfer accrued default amounts to our MySuper option if we do not receive an instruction from the member to opt-out of the move. If you have an accrued default amount we will contact you shortly to provide further information and request an investment instruction from you.

Yours sincerely,



Adam Kirk  
General Manager, Distribution