



Significant Event Notice Accumulation Section

Issued: 19 October 2021

This Significant Event Notice (**SEN**) provides important information about The Victorian Independent Schools Superannuation Fund (**VISSF**) and its transfer of all VISSF members via a Successor Fund Transfer (**SFT**) to Aware Super. The information provided in this SEN is general information only and does not take into account your personal financial situation or needs. You should consider obtaining financial advice that is tailored to suit your personal circumstances. Full details about Aware Super can be found in their Product Disclosure Statement (**PDS**), available on their website at aware.com.au/pds

INTRODUCTION

After more than 60 years taking care of retirement savings for people working in the education industry, we are pleased to announce that all VISSF members will transfer to Aware Super via a Successor Fund Transfer (**SFT**) on 30 November 2021.

As a smaller industry fund, we believe it will become more challenging and expensive to continue providing our services at the standard and cost you've come to expect, particularly given persistent regulatory pressure and an environment overcome by legislative reform.

It was of absolute importance we selected a fund that would embrace our incredible history and fiercely pursue better outcomes for all our members. We chose to be proactive in our search to find the right fund – one we believed would continue to have our members' best interests at heart. Aware Super has met our criteria.

We encourage you to read through this notice carefully. If you have any questions about the changes, please call our Client Services Team on 1300 660 027 between 9am and 5pm weekdays.

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1. WHAT IS A SUCCESSOR FUND TRANSFER?

An SFT is the transfer of member benefits from one super fund to another super fund (the successor fund) where the consent of the individual member is not required. Before making the transfer, the trustees of both funds need to agree that the successor fund will provide to members **equivalent rights** in respect of their existing benefits.

These are legally enforceable rights which may arise under governing rules, the general law and legislation.

We are also required to consider whether this transfer will be in your best financial interests. This involved looking at what you have now with VISSF and making every effort to match it up with a similar or better product, feature or service offering from Aware Super.

While we arrange the secure transfer of your savings to Aware Super, be assured your money will continue to be held in safe, reliable hands.

If you do not wish to be transferred to Aware Super as part of this SFT, you can choose to rollover or transfer to another super fund of your choice before 25 November 2021.

2. BENEFITS OF AWARE SUPER

Our due diligence investigations confirmed VISSF members would be better off in the long term by being part of a larger fund that has substantial size and scale benefits. Aware Super is an industry fund with over 1.1 million members and a strong alignment to VISSF values. You can look forward to:

- **Top investment performance:** Aware Super has proven it can deliver strong long-term results, producing an annual average return of more than 9% over five years* which will help to build your super savings as you prepare for life after work.
- **Greater investment choice:** You will have access to a larger menu of diversified and single asset class options, including socially responsible investment options, that can be closely aligned with your appetite for risk and preferred asset allocation.
- **Competitive fees:** Members will continue to be with a profit-to-member fund which focuses on using its size and scale to keep fees down and costs as low as possible.
- **Better local services:** Access to a wide range of products and services, with offices in Melbourne and regional Victoria, as well as extensive digital and online support.
- **Broader financial advice:** Receive support from Australia's largest member-owned financial advice network, offering a comprehensive range of super and retirement advice options, including specialist aged care and estate planning services.
- **Commitment to learning:** With an extensive financial education program, Aware Super brings you access to free seminar and webinar options which can be attended online or in community-based locations.

* Returns for the Aware Super Accumulation Growth option were in the top 10 for the 3, 5, 7 and 10 year periods ending 30 June 2021, SuperRatings Fund Crediting Rate Survey, SR50 Balanced (60-76) Index (out of 50 funds for 3 and 5 year periods, 48 funds for 7 years and 47 funds for 10 years). Returns are net of investment fees, tax and implicit asset-based administration fees. Past performance is not a reliable indicator of future performance and should not be the sole factor when considering if Aware Super is right for you.

3. YOUR INVESTMENT OPTIONS

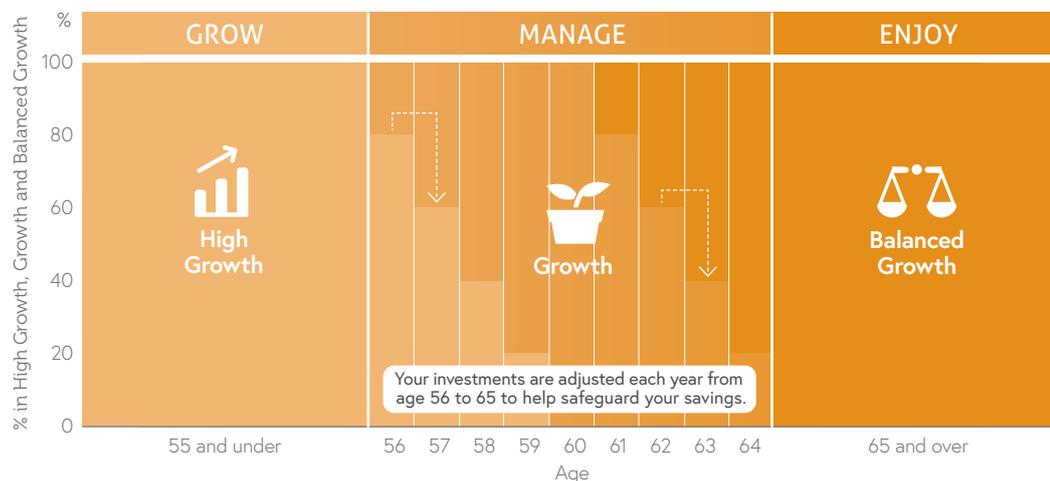
How your investment options are transferred to Aware Super will depend on whether you have chosen to invest some of your account balance outside of the VISSF Balanced option and on your age. The tables below provide an easy reference to see where your super balance will be transferred to.

IF YOU	YOUR ENTIRE ACCOUNT BALANCE WILL BE TRANSFERRED TO	FOR MORE INFORMATION
- Have 100% of your account balance in the VISSF Balanced option	If you were born on or after 10 June 1961, you will be transferred to the Aware Super MySuper Lifecycle approach. If you were born before 10 June 1961, you will be transferred to the Aware Super Balanced Growth investment option.	Table 1
- Have some part of your balance outside of the VISSF Balanced option	An equivalent investment option(s) within Aware Super. Our aim is to ensure you retain a similar objective, underlying asset allocation and risk profile.	Table 2

Table 1

Investment options for members who are currently invested 100% in the VISSF Balanced option and are **born on or after 10 June 1961**. You will be transferred to Aware Super’s MySuper Lifecycle investment approach, which is designed to help you retire with more. Your investment option will depend on your age as detailed in the diagram and table below.

How Aware Super adjusts your MySuper Lifecycle investments



The Aware Super Lifecycle approach means your investments gradually shift from mostly growth-focused assets to a more balanced mix of growth and income assets.

BORN ON OR AFTER 10 JUNE 1961 100% VISSF BALANCED OPTION	AWARE SUPER MYSUPER LIFECYCLE - INVESTMENT OPTION
Aged 55 and under	High Growth option
Aged 56 to 64 years	Your option depends on your age. From age 56, MySuper Lifecycle gradually transitions your investments from the High Growth option into the Growth option, and then into the Balanced Growth option.
Aged 65 and over	Balanced Growth option

Once you are an Aware Super member, you can go online and switch your money to another investment option at any time, free of charge.

If you do not wish to be transferred into Aware Super’s MySuper Lifecycle investment approach and instead be transferred from the VISSF Balanced investment option into the closest Aware Super investment option (Growth), please call our Client Services Team on 1300 660 027 before **5pm, 23 November 2021**.

For more information on the Aware Super MySuper Lifecycle investment approach, go to aware.com.au/lifecycle.

Table 2

Investment options for VISSF members with account balances invested in some part outside of the VISSF Balanced option.

VISSF INVESTMENT OPTION	AWARE SUPER INVESTMENT OPTION
All Growth	High Growth
Balanced	Growth
Conservative	Conservative Growth
Cash	Cash

Where your total account balance has a mixture of VISSF investment options, those same proportions will be transferred to the relevant Aware Super option.

4. YOUR FEES AND COSTS

As a VISSF member, you pay a flat administration fee directly from your account plus an investment fee and indirect cost which are deducted from your investments.

Aware Super has a different fee structure which includes an administration fee plus an investment fee that incorporates all indirect costs and a variable performance fee. It manages a more diversified portfolio, which includes investments in private equity, property and infrastructure and real assets.

Where these investments have a performance fee arrangement, the fee only applies if the fund manager delivers positive performance above an agreed level. **This means higher investment returns can result in higher performance fees.**

Because Aware Super achieved strong results in the 2020-21 financial year, performance fees were higher and this increased their total investment fee for that period. We should point out performance fees may vary from year to year and cannot be precisely calculated in advance. Also, past fees are not a reliable indicator of future investment fees.

Table 3 compares the fees and costs charged by VISSF and Aware Super. Please note investment fees for Aware Super have been updated for the period 1 July 2020 to 30 June 2021 and the VISSF fees relate to an earlier period as disclosed in the VISSF PDS issued 31 January 2021.

Table 3 – Fee comparison

	VISSF	AWARE SUPER
Investment fee ^{1, 2}	per annum All Growth 0.84% Balanced 0.73% Conservative 0.50% Cash 0.23%	per annum High Growth 1.09% Growth 0.96% Conservative Growth 0.34% Cash 0.03%
Administration fee ^{1,2,3}	\$52 per year	\$52 per year (\$4.33 per month) plus an asset based administration fee of 0.15% per year (\$75 per \$50,000). The asset based administration fee is capped at \$750 per year (\$62.50 per month)
Buy/sell spread	Nil	Nil
Switching fee	\$0 for the first two switches in any VISSF financial year (1 February to 31 January), then \$30 per switch thereafter.	Nil
Advice fees & other costs ³	No advice fee is charged for providing general and simple advice limited to your VISSF account. Super or retirement advice up to \$4,000 per annum (excluding GST) on request and with member consent.	No advice fee is charged for providing general and simple advice limited to your Aware Super account. Comprehensive financial advice can be provided at an additional cost on request and with member consent.
Indirect cost ratio ¹	0.32% per annum for all investment options	Nil, all indirect costs are included in the investment fees.

1 Investment fees and indirect costs are deducted from the assets of the investment option, or the underlying investment vehicles, before earnings or unit prices are determined in each option. Administration fees are generally deducted from your account at the end of each month or upon exit.

2 If your account balance is less than \$6,000 at the end of the fund year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

3 VISSF provides a tax benefit directly to member accounts for administration fees, whereas this is retained within the fund in Aware Super. For more information of other fees and costs, refer to the relevant section in the applicable fund's PDS.

The following table provides an example of how the fees and costs compare for each VISSF and Aware Super investment option based on the fees as disclosed on the previous page. To demonstrate the impact on your super over a one year period, we have based the comparison on a \$50,000 investment in each option.

Table 4 – Example for \$50,000 investment

EXAMPLE	VISSF	AWARE SUPER
Investment fees	VISSF investment options	Equivalent Aware Super investment options
	All Growth 0.84% \$420	High Growth 1.09% \$545
	Balanced 0.73% \$365	Growth 0.96% \$480
	Conservative 0.50% \$250	Conservative Growth 0.34% \$170
	Cash 0.23% \$115	Cash 0.03% \$15
Plus		
Administration fees	\$52	\$52 plus 0.15% (subject to a cap) \$127
Plus	0.32% \$160	Nil \$0
Indirect cost ratio		
Equals		
Cost of product	All Growth \$632	High Growth \$672
	Balanced \$577	Growth \$607
	Conservative \$462	Conservative Growth \$297
	Cash \$327	Cash \$142

5. YOUR INSURANCE COVER AND PREMIUMS

VISSF and Aware Super have the same insurer, TAL Life Limited (ABN 70 050 109 450 AFSL 237848) (**TAL**). The policies issued by TAL to VISSF are scheduled to cease at midnight on 30 November 2021 (AEDT). From 1 December 2021, your insurance cover will be provided under different policies issued by TAL to Aware Super. The terms and conditions of the insurance policies prevail over any inconsistent information in this SEN.

The key changes to insurance from 1 December 2021 are summarised as follows.

Insurance cover for members with existing VISSF insurance

- You will be provided with comparable Death, Total and Permanent Disablement (**TPD**) and Income Protection (**IP**) cover in Aware Super if you currently hold those types of cover. Where your amount of Death cover is less than your TPD cover, your Death cover will be increased to equal your TPD cover amount.
- Your insurance will be provided as fixed cover which means that your level of cover stays the same and the premium you pay will usually increase as you get older. To understand how this cover may be different to your current arrangement, please call our Client Services Team on 1300 660 027.
- Your monthly IP benefit amount with Aware Super will be provided as 75% of your monthly income. Your waiting period and benefit period will not change. If your IP cover includes a monthly super contribution amount, it will be provided as 10% of your monthly income. Any benefits paid will be subject to a maximum of your monthly benefit and the maximum monthly benefit allowed under the insurance policy.

Full details about Aware Super's insurance can be found in the Aware Super Member Booklet Supplement Insurance (Personal) Product Disclosure Statement, available at aware.com.au/pds

Your insurance premiums may change

As part of the new insurance arrangement, your insurance premiums will likely change and for most of you this may mean an increase in your annual premiums.

Full details of your new insurance premiums will be confirmed in your Aware Super Welcome Pack. This pack will also detail your insured benefits and how you can review and change your insurance cover from 1 December 2021. You will have a 60-day grace period to cancel or reduce your insurance cover and will receive a refund of any premium charges you've already paid to Aware Super.

Your insurance category rating

From 1 December 2021, the cost of your insurance cover with Aware Super will be based on the **Public Service + White Collar** insurance category rating. Public Service + White collar premiums are cheaper than **Education** insurance premiums available under Aware Super.

New and existing claims

- If you have an existing claim that was lodged with VISSF prior to the transfer, the details of your claim will be transferred to Aware Super, and the assessment of your claim will continue. You will not be required to resubmit your claim.
- If you are in receipt of IP benefit payments prior to the transfer, your benefits will continue to be paid directly to you after the transfer, provided you continue to meet the eligibility conditions.
- Any new claims lodged with Aware Super after the transfer date will be considered by Aware Super and TAL in accordance with the relevant insurance policy.
- If you have previously received a TPD or Terminal Illness claim payment from VISSF, you will not be eligible to receive any automatic death or TPD insurance cover with Aware Super.

Other important information

There are several other important items to consider.

- Any existing loadings or exclusions attached to your VISSF insurance cover will continue to apply with Aware Super for each level and type of cover.
- You may become eligible for automatic insurance with Aware Super if you don't have existing default cover with VISSF prior to the transfer.
- If you've recently received a communication to say your insurance is going to be cancelled due to 16 months of inactivity, and the date of insurance cancellation is after 30 November 2021, your insurance won't be cancelled. Your insurance will be transitioned to Aware Super on 1 December 2021. If your account remains inactive with Aware Super for 9 months, Aware Super will be in contact regarding maintaining your cover.
- Prior to 30 November 2021, if you already have an Aware Super account in addition to your VISSF member account, you can choose to keep all existing insurance cover you may have.
- There is no gap in cover between the outgoing VISSF policies with TAL and the incoming Aware Super policies with TAL. All cover transferred to Aware Super will be covered by the Financial Services Council Guidance Note 11, Group Insurance Takeover Terms (dated 9 May 2013).

Changing your VISSF insurance cover

While you remain a member of VISSF, you can modify or cancel your insurance cover at any time by applying at www.vissf.com.au/cover-request. Cancellation of cover can occur immediately upon receipt and acknowledgement of your online notification. However, other changes are subject to acceptance by TAL.

If you reduce or cancel your cover, and then change your mind, you will need to re-apply under the standard application process. This means you'll need to provide information about your health, income, occupation, and lifestyle for TAL to assess your application. TAL may accept (with or without conditions) or decline your application. Please refer to **Table 5** on pages 7 and 8 for cut off dates that apply to insurance cover changes.

6. TEMPORARY INTERRUPTIONS TO SERVICES

You may experience some service and processing interruptions prior to the transfer and we thank you for your patience during this period.

From 5pm on Friday, 5 November 2021 until after the transfer, selected services may be unavailable while others may take a little longer than usual to complete. Access to the Member Online portal and VISSF App will be restricted or unavailable. However, you will still be able to call the VISSF Client Services Team if you need help.

Potential impacts are outlined below.

Table 5 - Temporary interruptions

DEADLINE	ACTION	DESCRIPTION
5pm Friday 5 November 2021	Starting a pension	If you are planning to start a VISSF Pension, you must submit your completed application to VISSF by 5pm on 5 November 2021.
	Applying for more insurance cover	Applications for more insurance cover must be received by 5pm on 5 November 2021. Depending on the application, timeframes to complete any requirements may vary. Where these cannot be completed and accepted by TAL by 5pm 23 November 2021, you may need to complete a new application with Aware Super after 1 December 2021.
5pm Friday 19 November 2021	Provide your Tax File Number (TFN)	It's not compulsory to provide us with your TFN, but if you don't, we can't accept any personal contributions you make into your account. If you wish to obtain a refund from the no-TFN contributions tax or the period 1 July 2019 to 19 November 2021 you must give us your TFN by 19 November 2021.
	Beneficiary nominations and confirmation of nominations	VISSF must receive any changes to your beneficiary nominations, including any confirmation of binding nominations by 5pm on 19 November 2021. All current nominations that are valid and accurate will transfer to Aware Super as non-binding nominations.
	Benefit payment requests, including rollovers	Benefit payment requests received after 5pm on 19 November 2021 will not be processed by VISSF. A new request will need to be submitted with Aware Super after 1 December 2021. This includes any related requests, such as contribution splits, partial withdrawals, death and/or disablement claims, early release on compassionate grounds or financial hardship.
	Personal details and member account information	Changes to your personal details and other information affecting your member account, must be received by VISSF no later than 5pm on 19 November 2021. This includes changes to address, contact details, email and TFN updates.

DEADLINE	ACTION	DESCRIPTION
5pm Tuesday 23 November 2021	Making an insurance claim	Any insurance claims submitted after 5pm on 19 November 2021 will be transferred to Aware Super for action after 1 December 2021.
	Contributions and Transfers In	No contributions or transfers in will be accepted by VISSF from 5pm on 23 November 2021. BPAY details for Aware Super can be accessed via Aware Super's online portal once you are a member of Aware Super.
5pm Friday 26 November 2021	Changing your VISSF investment options	Changes to investment options or switching requests must be received by 5pm on 26 November 2021 to be processed prior to the transfer.
	Member Online and VISSF App	Your online account will be read only from 5pm on 26 November 2021. You will not be able to access Member Online or the VISSF App after 5pm on 30 November 2021.
From Wednesday, 1 December 2021	Third party authorities	Any third party authorities you have arranged with VISSF will no longer apply upon transfer to Aware Super.
	MyGov	Your account balance with Aware Super will not be displayed on your MyGov account until the ATO completes its annual update in October 2022.
	Account Statements	Your annual statements will arrive during October of each year aligning with Aware Super's financial year ending 30 June. A mid-year account summary is also provided in April.

7. WE'RE HERE TO HELP

After more than 60 years of providing super and retirement services to people working in the education sector, the decision to transfer to Aware Super is bittersweet. As custodians of your super, our sole purpose is to ensure the choices we make are in the very best interests of our members.

VISSF is confident this transfer to Aware Super is going to mean our members and their retirement savings will be better off in the long term. And we look forward to seeing our incredible legacy continue into the future as part of Aware Super.

If you need more information about the transfer or preparing your VISSF account for the transfer please visit www.vissf.com.au, email us at super@vissf.com.au or call our Client Services Team on 1300 660 027 between 9am and 5pm weekdays.