



Significant Event Notice Pension 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.

CONTENTS

What is a Successor Fund Transfer?	1
Benefits of Aware Super	2
Your retirement income	2
Your investment options	3
Your fees and costs	3
Temporary interruptions to service	5
We're here to help	6

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 10% 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 Retirement Income Stream Growth option were in the top 10 for the 5, 7 and 10 year periods ending 30 June 2021, SuperRatings Pension Fund Crediting Rate Survey, SRP50 Balanced (60-76) Index (5 years out of 48 funds, 7 years out of 46 funds and 10 years out of 45 funds). 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 RETIREMENT INCOME

If you are a VISSF Account Based Pension member, your retirement balance will be transferred to the Aware Super Retirement Income Stream product.

If you have a VISSF Transition to Retirement Pension, then your savings will be moved to the Aware Super Transition to Retirement Income Stream product.

VISSF RETIREMENT PRODUCT	AWARE SUPER RETIREMENT PRODUCT
Account Based Pension	Retirement Income Stream
Transition to Retirement Pension	Transition to Retirement Income Stream

Your regular pension payments will automatically continue with Aware Super and be paid to your nominated bank account. For ongoing pension details, you should refer to your Aware Super Welcome letter.

4. YOUR INVESTMENT OPTIONS

The table below provides an easy reference to see where your pension balance will be transferred. 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.

Table 1 – Investment options

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.

5. YOUR FEES AND COSTS

Most members will notice an increase in their total fees and costs when their pension balance is transferred to an equivalent Aware Super retirement product. As a VISSF member, you pay a flat administration fee directly from your account plus an investment fee which is 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 its 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 2 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 2 – Fee comparison

	VISSF		AWARE SUPER	
	Account Based Pension per annum	Transition to Retirement Pension per annum	Retirement Income Stream per annum	Transition to Retirement Income Stream per annum
Investment fee ^{1,2}	All Growth 0.84%	0.84%	High Growth 0.99%	1.09%
	Balanced 0.72%	0.73%	Growth 0.90%	0.96%
	Conservative 0.46%	0.50%	Conservative Growth 0.45%	0.34%
	Cash 0.18%	0.23%	Cash 0.03%	0.03%
Administration fee ^{1,2}	\$660 per year (\$55 per month)		\$52 per year (\$4.33 per month) plus an asset based administration fee of 0.20% per year (\$100 per \$50,000). The asset based administration fee is capped at \$1,500 per year (\$125 per month)	
Buy/sell spread	Nil		Nil	

	VISSF	AWARE SUPER
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	Nil.	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 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. To demonstrate the impact on your pension over a one year period, we have prepared an Account Based Pension comparison based on a \$250,000 investment in each option based on the fees as disclosed on the previous page.

Table 3 – Example for \$250,000 Account Based Pension investment

EXAMPLE	VISSF	AWARE SUPER
Investment fees	VISSF investment options All Growth 0.84% \$2,100 Balanced 0.72% \$1,800 Conservative 0.46% \$1,150 Cash 0.18% \$450	Equivalent Aware Super investment options High Growth 0.99% \$2,475 Growth 0.90% \$2,250 Conservative Growth 0.45% \$1,125 Cash 0.03% \$75
Plus Administration fees	\$660	\$52 plus 0.20% (subject to a cap) \$552
Plus Indirect cost ratio	Nil \$0	Nil \$0
Equals Cost of product	All Growth \$2,760 Balanced \$2,460 Conservative \$1,810 Cash \$1,110	High Growth \$3,027 Growth \$2,802 Conservative Growth \$1,677 Cash \$627

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 4 - 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.
5pm Friday 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 partial withdrawals, pension commutations, 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.
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.
5pm Tuesday 30 November 2021	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.

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.