

# Significant Event Notice

## Important changes to IRIS Super Income Stream and IRIS Term Allocated Pension 1 September 2016

This Significant Event Notice is issued by Super Members Investments Limited (SMI) ABN 61 095 974 100, AFSL 231230 in its capacity as Trustee of the IRIS Superannuation Fund ('IRIS').

The IRIS Super Income Stream and the IRIS Term Allocated Pension are divisions of IRIS.

As a result of our recent review of our products, the following changes will apply to the IRIS Super Income Stream and the IRIS Term Allocated Pension.

These changes have been incorporated in the Supplementary Product Disclosure Statement (SPDS) dated 1 September 2016, a copy of which is available on our website [retirewithiris.com.au](http://retirewithiris.com.au)

This communication is for information purposes. No action is required from you.

## What are the changes?

### 1. Reversionary beneficiary nomination clarification

The PDS has been updated to provide clarity on nomination of reversionary beneficiaries.

Upon acceptance by us, as Trustee, a valid reversionary beneficiary nomination is binding on us and is irrevocable.

This means the only way you can change or remove your beneficiary at a later date, is by completing a new Application Form and transferring your existing IRIS Super Income Stream account to a new IRIS Super Income Stream account.

### 2. New asset class – Liquid Alternatives

We have added a new Liquid Alternatives asset class to the Defensive, Conservative and Growth IRIS Investment Options, which will provide greater diversification benefits.

Accordingly, the Strategic Asset Allocation (SAA) and SAA Ranges have been revised as shown in the table below.

| Asset Class                     | IRIS Investment Option |             |              |             |        |             |
|---------------------------------|------------------------|-------------|--------------|-------------|--------|-------------|
|                                 | Defensive              |             | Conservative |             | Growth |             |
|                                 | SAA %                  | SAA Range % | SAA %        | SAA Range % | SAA %  | SAA Range % |
| Australian Shares               | 7.00                   | 5 – 20      | 16.75        | 10 – 30     | 36.50  | 25 – 55     |
| International Shares (Unhedged) | 0.00                   | 0 – 10      | 5.00         | 0 – 10      | 15.00  | 5 – 35      |
| International Shares (Hedged)   | 2.50                   | 0 – 10      | 2.25         | 0 – 10      | 2.00   | 0 – 20      |
| Property                        | 2.00                   | 0 – 10      | 4.00         | 0 – 10      | 6.00   | 0 – 15      |
| Liquid Alternatives             | 3.00                   | 0 – 10      | 4.00         | 0 – 10      | 5.00   | 0 – 10      |
| Alternative Debt                | 2.00                   | 0 – 10      | 4.00         | 0 – 10      | 4.00   | 0 – 10      |
| Australian Fixed Interest       | 21.25                  | 10 – 40     | 24.00        | 10 – 40     | 13.75  | 5 – 25      |
| International Fixed Interest    | 21.25                  | 10 – 40     | 24.00        | 10 – 40     | 13.75  | 5 – 25      |
| Cash                            | 41.00                  | 20 – 60     | 16.00        | 10 – 30     | 4.00   | 0 – 10      |



### 3. Administration fees from 1 September until 31 December 2016

The Administration fees for several investment options have been amended. The rebates that previously applied to these options have been removed. The overall result is that there is **no change** to the total Administration fees charged for each of those options. The Administration fees for the investment options are provided in the table below:

| IRIS Investment Option        | Administration fees deducted directly from members' accounts % p.a. |  |
|-------------------------------|---|--|
|                               | Total account balance below \$250,000                               | Total account balance of \$250,000 and above |
| Defensive                     | 0.90  | 0.85   |
| Conservative                  | 0.76  | 0.71   |
| Growth                        | 1.00  | 0.95   |
| High Growth                   | 1.10  | 1.05   |
| Cash                          | 0.40  | 0.35   |
| Diversified Fixed Interest    | 0.55  | 0.50   |
| Property                      | 0.90  | 0.85   |
| Australian Shares             | 0.80  | 0.75   |
| Sustainable Australian Shares | 1.15  | 1.10   |
| International Shares          | 0.92  | 0.87   |

### 4. A reduction in Administration fees from 1 January 2017

We review our fees periodically and are pleased to advise that the Administration fees for the following investment options have been reduced with effect from 1 January 2017: (Note: All other IRIS investment options remain unchanged)

| IRIS Investment Option        | Administration fees deducted directly from members' accounts % p.a. |  |
|-------------------------------|---|--|
|                               | Total account balance below \$250,000                               | Total account balance of \$250,000 and above |
| High Growth                   | 0.97  | 0.92   |
| Cash                          | 0.27  | 0.22   |
| Sustainable Australian Shares | 0.97  | 0.92   |

### 5. Updated transaction costs

Transaction costs have been updated below to reflect the current buy/sell spread for each of the investment options at the time of issuing this SEN. As these costs are estimates and may change at any time, please refer to [retirewithiris.com.au](http://retirewithiris.com.au) for current costs. The transaction cost example in the PDS has also been updated.

| IRIS Investment Option        | Buy % | Sell % |
|-------------------------------|-------|--------|
| Defensive                     | 0.06  | 0.05   |
| Conservative                  | 0.09  | 0.08   |
| Growth                        | 0.13  | 0.10   |
| High Growth                   | 0.16  | 0.11   |
| Cash                          | 0.00  | 0.00   |
| Diversified Fixed Interest    | 0.09  | 0.10   |
| Property                      | 0.12  | 0.12   |
| Australian Shares             | 0.17  | 0.13   |
| Sustainable Australian Shares | 0.15  | 0.15   |
| International Shares          | 0.16  | 0.11   |