

Fact sheet

Choice of Fund

What it means for you

Choice of Fund legislation is designed to give most working Australians control over where their Super is held.

If you have Choice, it applies to Superannuation Guarantee Contributions made on your behalf. Superannuation Guarantee Contributions are the minimum payments employers have to by law, pay for their staff into a superannuation fund - it is currently the equivalent of 9% of your wages/salary.

Choice of fund is not applicable to everyone

The Choice of Fund legislation does not apply to various people including those who:

- Work under an Australian Workplace Agreement (AWA)* or Individual Transitional Employment Agreement*
- Work under a certified or workplace agreement*
- Work under a State award for an unincorporated employer
- Are in a defined benefit (depending on conditions of individual fund)
- Are in a public sector fund (some will have choice)

* (with provision requiring the employer to contribute to a specific superannuation fund)

The ATO (www.ato.gov.au) can help you find out if you are eligible for choice.

Depending on your employment arrangements, if you fall within the above arrangements it will be either your employer, your award or specific legislation that will determine where your superannuation payments are to be paid and your employer will not have to offer you a choice.

How Choice works

If you are eligible for Choice of Fund, your employer is only required to provide a Standard Choice Form if:

- you commenced employment;
- you request one, and you have not exercised choice in the past 12 months;
- your chosen fund is no longer an eligible fund; or
- your employer changes the default fund.

You can nominate a fund using the Standard Choice Form or by providing a written 'Nomination Letter' to your employer which includes all the necessary information required by law.

Making a choice that's right for you

If you do want to choose a fund, there are a few important things to think about, such as:

Fund quality - Is the fund a recognised industry leader?

AustralianSuper is recognised in the market as a high quality fund. The Fund has achieved the highest possible ratings awarded by four independent Superannuation ratings organisations that measure the overall quality of a fund.

Investment choices - How many investment options are offered? Is there an investment choice that suits you now, and in the future?

AustralianSuper offers you 16 investment choices, including the option to invest in the top 200 companies on the Australian Stock Exchange.

Choice of Fund (continued)

Investment returns - Are investment returns strong and consistent over the long term? How do the short and long-term returns compare to industry benchmarks?

AustralianSuper's Balanced Investment Option has delivered above industry average, long term investment returns. Over five years it returned 11.19% p.a., outperforming the SuperRatings Median Balanced Fund average of 9.80% p.a.[#]

Fees - Are there any entry or exit fees? Are you charged a low flat administration fee per week or a percentage of your account balance? What investment management fees are charged? Are you charged for switching between investment options?

With AustralianSuper, there are no entry, contribution or switching fees (except with transaction costs for the ASX 200 Shares Investment Option). All members pay a low administration fee of only \$1.00 per week (other fees also apply)*, and the fund is run only to profit members.

* Please note that the administration fee will increase to \$1.50 per week on 1 January 2009.

When it comes to making a choice, make sure you understand your rights and your options so you can make the best choice for you, and your family.

If you'd like more information about the Choice of Fund legislation, call AustralianSuper on **1300 300 273**, or visit the website at **www.australiansuper.com**

[#] In calculating historical returns for AustralianSuper, where only one fund previously offered an equivalent to an option in the new product suite, the returns of that option have been used. Where both funds offered an equivalent option, the returns have asset weighted across both options on a monthly basis, where possible. Where asset data isn't available for one or both of the equivalent options, the monthly returns have been averaged. The returns are for the period ending 30 June 2008.