

Property option changes



At AustralianSuper, our priority is helping members grow their super for a comfortable retirement – one of the ways we do this is by managing risk.

From Monday 19 November 2018, we're making two changes to better manage liquidity risk in the Property option.

1. Introducing a cap of 70% on the amount you can invest in the Property option.
2. In exceptional circumstances in response to a market stress event, AustralianSuper will have the ability to freeze switches, contributions and withdrawals into and out of the Property option for a maximum period of up to two years.



What you need to do to stay in Property

If you want to stay invested in the Property option, you'll need to consent and re-select your investments before **4pm AEDT Friday 9 November 2018**. You can do this through the 'Stay in Property' button in the pop-up that appears when you log into your account online.

If you choose not to be part of the changes

You can switch out of the Property option before **4pm AEDT Friday 9 November 2018**. If you do nothing, your Property option investments will automatically be switched into the Balanced option with effect from 16 November 2018.



A little about liquidity

The Property option invests in direct property, which is an illiquid investment. This essentially means it isn't as easy to convert to cash as other assets like shares and bonds.

Each asset class has a unique risk profile and we manage each one differently. We believe these changes are necessary to better manage liquidity risk in direct property.

Making changes now to protect your assets in the future

Selling direct property takes time and if the market experiences a stress event, it can take even more time to find buyers willing to pay reasonable prices. This affects everyone invested in this asset class.

You'll still be able to make switches, contributions and withdrawals from your Property option after 19 November 2018. A freeze will only be applied in exceptional circumstances in response to a market stress event. We'll notify you as soon as possible after a freeze has been imposed.

While we can't predict the future, and stress events are historically rare, we want to make sure we have the ability to manage any additional risk if something did happen. That's what these changes are about.

Making way for the changes

There are some changes we need to make to get ready. This means we'll need to disable any Property option investment switches from 4pm AEDT on 9 November until 19 November 2018.

Want to know more?

Find out more about the changes at australiansuper.com/OptionChanges