

# Significant event notice: 30 September 2020

This significant event notice is to inform you of changes to the asset allocation for Tasplan OnTrack® – Maintain stage applying from 30 September 2020.

## What's changing?

We're changing the asset allocation of the Tasplan OnTrack – Maintain stage to increase the percentage invested in growth assets.

	Current Tasplan OnTrack - Maintain asset allocation	New Tasplan OnTrack – Maintain asset allocation
Growth assets (shares and property)	45%	60%
Defensive assets (fixed interest and cash)	55%	40%

## What does this mean for me?

As you're currently invested in the Tasplan OnTrack - Maintain investment stage, your asset allocation will automatically be adjusted to 60% growth and 40% defensive allocation from 30 September 2020. This means that 15% of your defensive assets will be switched to growth assets.

See opposite for an example of how the change would affect a member who has \$100,000 in their super and is solely invested in the Tasplan OnTrack Maintain option.

We'll implement this change over several weeks, in order to reduce the possibility of a short-term market correction having an impact on your super balance.

For those members currently in Tasplan OnTrack - Control investment stage you will still move to Tasplan OnTrack - Maintain stage when you turn 60, however your asset allocation will remain at 60% growth and 40% defensive.



## What do I need to do?

You should consider whether you're comfortable with the increased exposure to growth assets.

**If you're happy for us to make this change**, you don't need to do anything.

**If this change doesn't suit your needs and you don't want to remain in the Tasplan Ontrack investment option**, you can switch to one or more of our other investment options before the cut off time of 4pm (Hobart time) on 29 September 2020.

If you wish to maintain the 45% growth and 55% defensive asset allocation then you could consider switching to our

Moderate investment option, which has the same asset allocation as the existing Tasplan OnTrack - Maintain stage.

You can switch to any of our investment options:

- through **Tasplan Online** or
- by calling us on **1800 005 166** or
- by completing the *Change your investments* form available at [tasplan.com.au/member-forms](https://tasplan.com.au/member-forms).

If you're invested in the Tasplan OnTrack investment option on 30 September 2020, the change will automatically happen.

## Investment fees and return objective

The estimated investment fees for the Tasplan OnTrack – Maintain stage will also change from 30 September 2020. The fee increase is due to additional investment related costs associated with the increased allocation to growth assets in the new Tasplan OnTrack - Maintain stage. Our administration fees won't change.

	Estimated investment fee - each year <sup>1</sup>		Total	Estimated indirect cost ratio <sup>2</sup>
	Investment fee (base)	Performance related fee		
Current Tasplan OnTrack - Maintain fees	0.33%	0.02%	0.35%	0.17%
New Tasplan OnTrack - Maintain fees	0.41%	0.03%	0.44%	0.21%

<sup>1</sup>Investment and performance related fees are based on estimated annual fees for a full financial year and are indicative only. Future investment fees will vary mainly due to the underlying investments used, performance and asset allocation.

<sup>2</sup>The indirect cost ratio is estimated based on costs incurred during the 2019-20 financial year.

The investment return objective and risk level for Tasplan OnTrack - Maintain will change from 30 September 2020 to:

Investment return objective <sup>3</sup>	Minimum suggested investment time frame	Risk level <sup>4</sup>
CPI + 2.5% a year over rolling 5-year periods.	5 years	Medium to high - Risk band 5. You may expect to receive 3-4 negative annual returns in a 20-year period.

<sup>3</sup>The investment return objective is after investment fees and taxes. <sup>4</sup>Refer to [tasplan.com.au/risk](http://tasplan.com.au/risk) for more information about this risk measure

## Why are the changes being made?

**We're making this change because we believe it will lead to better retirement outcomes for our members over the long term.**

Tasplan OnTrack is designed to automatically adjust your investment mix based on your age. There are four age-based investment stages within Tasplan OnTrack. Each stage has a different investment strategy and asset allocation. We regularly review the investment strategy and asset allocation of each stage to ensure that it's meeting the objectives in the current environment.

When you're younger you have more time to ride the ups and downs of the investment market before retirement. Tasplan OnTrack invests your super in a higher percentage of growth assets such as shares and property to target a higher long-term return.

As you approach retirement, Tasplan OnTrack shifts to a more conservative asset mix to focus on wealth protection. The asset mix reduces its allocation to growth assets and increases the allocation to defensive assets such as fixed interest and cash.

Since Tasplan OnTrack was introduced three years ago, we've seen a significant increase in the average super balance of our members closer to retirement. Many members are choosing to receive a regular income from their super in retirement rather than withdrawing their balance as a lump sum payment.

As part of the review, we identified that changes to the asset allocation for the Tasplan OnTrack - Maintain stage should be made. Tasplan OnTrack - Maintain is the last stage before retirement and you're in this stage from age 60.

By increasing the exposure to growth assets in the Tasplan OnTrack - Maintain stage, you can transition from the accumulation phase to the retirement phase with minimal change to your overall asset allocation. This may help achieve a higher balance at retirement without significantly increasing the impact of market downturns in the years leading up to retirement.

## Can I get advice?

We can provide you with general advice on your Tasplan account. If you need personal advice, you can meet with a Tasplan financial planner. Our planners have set fees for advice. Tasplan financial planners are authorised representatives of Quadrant First Pty Ltd (ABN 78 102 167 877, AFS Licence No. 284443), a wholly owned subsidiary of Tasplan Pty Ltd operating as a separate legal entity.

## Proposed merger with MTAA Super

Tasplan and MTAA Super are proposing to merge on 1 April 2021. The merger aims to secure better retirement outcomes for members of both funds. The combined fund's scale will provide efficiencies that can be passed on to members through improvements to products and services, low fees and strong returns.

As a result of the merger there may be further changes to investment options and associated asset allocations. Further information will be provided as these details are finalised.

### Need more information?

For more information call us on **1800 005 166** or email us at [info@tasplan.com.au](mailto:info@tasplan.com.au).

If phoning from overseas, call us on **+61 3 6270 4800**.

The updated *Tasplan Super guide* will be available at [tasplan.com.au/pds](http://tasplan.com.au/pds) from 30 September 2020.

This *Significant event notice* contains information or advice that's intended to be general in nature and which was prepared without taking into account your personal objectives, financial situation or needs. Because of that, before acting on any information or advice in this *Significant event notice*, please consider whether it's appropriate to your personal circumstances, talk to a financial planner and consider the *Tasplan Super guide*, available at [tasplan.com.au/pds](http://tasplan.com.au/pds) or by calling **1800 005 166**, before making a decision about whether to acquire the products.