

What's inside:

- 1 Important information about changes
- 2 Changes at a glance
- 3 Changes to asset allocations in detail

Important information about changes to your Accumulation and Parked account investment options

Changes are being made to the investment options available to SA Metropolitan Fire Superannuation Scheme (the Scheme) members. In this edition of *Super Info*, we've outlined these changes, what they might mean for you and some things to consider to be sure your super is invested to suit your situation.

Investment markets are constantly changing. So Funds SA, the Scheme's investment manager, regularly reviews its investment options and strategies to ensure they are aligned with prevailing market conditions aiming to achieve each option's investment objective.

The recent review conducted with specialist investment adviser, JANA, has resulted in changes to the characteristics of the Scheme's investment options. Implementation of changes commenced from 22 August 2019 allowing greater flexibility to achieve investment objectives over time. Full implementation of the changes depends on prevailing marketing conditions and may take years to fully realise.

The changes in brief

Cash option

To better reflect the current investment approach, the Cash option's target return has changed from 'maintaining the value of capital' to 'providing returns in line with the official Australian cash rate'. This is the only change for the Cash option.

Capital Defensive, Conservative, Moderate, Balanced, Growth and High Growth options

An option's investment strategy specifies target range of investment in growth and defensive assets designed to achieve its target return over time. The higher the target investment return, the greater the exposure to growth assets, such as Australian and international shares, private equity, infrastructure and certain types of property and generally the longer the investment timeframe.

As a result of these changes, the target range for growth assets for each of the six investment options has increased by 5% to 10%. The new target ranges for each of the underlying assets are shown in detail on page 4 of this edition.

Consequently, for the Conservative, Moderate, Balanced and Growth options, higher exposure to growth assets also has increased volatility of the investment which is measured by the increased likelihood of a negative return in any 20-year period. Increased volatility then translates to a higher standard risk measure attributed to that option. For the Balanced and Growth options, the higher level of risk necessitates a longer investment time horizon.

The changes compared with the previous features have been summarised on pages 2 and 3.

What does this change mean for me?

It's important to understand these changes and what they may mean for how your Accumulation or Parked account is invested. You are encouraged to consider whether a change to the investment timeframe and risk levels of any of your current investments continues to suit your personal situation, investment objectives and the level of risk with which you're comfortable.

To help you to review your investment preferences, you can take the **What type of investor are you?** quiz, available on the **Webinars & planning** tools page of the SAMFS website, **www.samfs.superfacts.com** You may also want to seek advice from a licensed financial adviser before making any changes to your super.

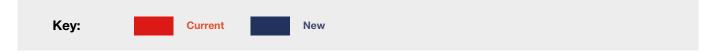
If your investment choices still suit your needs, you don't need to do anything.

After reviewing your investments and situation, if you want to change how your current balance is invested, how your future contributions are invested – or both – you can make an online change request through your member account or by completing and returning a *Changing your investment options* form, available on the **Documents and forms** page of the website.

Changes at a glance

The following charts give a comparison of the characteristics for each of the six investment options before and after changes take effect:

- standard risk measure
- target return (CPI + % p.a.)
- investment time horizon (years)
- likely number of negative returns in any 20 year period
- target rate of growth assets







Changes at a glance (continued)



Changes to asset allocations in detail

There is no change to the Cash option asset allocation. Change to the strategic asset allocations for the other investment options are show in the table below.

Asset class	Cash No change %	Capital Defensive		Conservative			Moderate		
		No change %	Range %	Old target %	New target %	Range %	Old target %	New target %	Range %
Cash	100	15	0 - 25	10	10	0 - 20	8	8	0 - 20
Fixed interest	0	35	20 - 55	23	23	10 - 45	16	16	0 - 30
Inflation-linked securities	0	15	5 - 25	16	15	5 - 25	12	11	0 - 25
Diversified strategies income	0	17	5 - 30	18	18	5 - 30	17	12	0 - 25
Property	0	6	0 - 20	9	9	0 - 20	10	10	0 - 20
Australian equities	0	5	0 - 15	11	11	0 - 25	14	17	5 - 30
International equities	0	7	0 - 20	13	14	0 - 25	18	21	10 - 35
Diversified strategies Growth	0	0	n.a.	0	0	n.a.	5	5	0 - 15
Total	100	100		100	100		100	100	

ASSET ALLOCATION TARGETS										
	Balanced				Growth	High Growth				
Asset class	Old target %	New target %	Range %	Old target %	New target %	Range %	No change %	Range %		
Cash	2	3	0 - 20	2	2	0 - 20	2	0 - 20		
Fixed interest	11	8	0 - 25	4	0	0 - 15	0	0 - 15		
Inflation-linked securities	9	5	0 - 15	6	0	0 - 10	0	0 - 10		
Diversified strategies income	16	8	0 - 20	16	12	0 - 25	12	0 - 25		
Property	12	12	0 - 25	14	16	5 - 30	16	5 - 30		
Australian equities	19	26	10 - 40	22	27	10 - 40	27	10 - 40		
International equities	23	30	20 - 45	26	33	20 - 50	33	20 - 50		
Diversified strategies Growth	8	8	0 - 20	10	10	0 - 20	10	0 - 20		
Total	100	100		100	100		100			

Highlighted cells show where allocations are changing.

For each investment option, the asset allocation will vary within the individual asset class ranges shown in response to changes in the investment market environment, as will the overall allocation to growth assets and defensive assets. Funds SA reserves the right to vary the asset allocation, including the target and ranges, of all or any of the investment options.

Important Information: This information has been prepared by Mercer Outsourcing (Australia) Pty Ltd (MOAPL) ABN 83 068 908 912, Australian Financial Services Licence #411980 on behalf of the Scheme. The information in this newsletter is for educational purposes only and is not intended to be advice. It has been prepared without taking account of your personal objectives, financial situation or needs. Therefore, before acting upon any of the information in this newsletter, you should consider its appropriateness having regard to your objectives, personal situation and needs. It is recommended that you seek professional financial advice from a licensed or appropriately authorised financial adviser before making any decisions in respect to your membership of the Scheme. Please note that there are no guarantees the investment performance of the Scheme's assets and the value of your investment in the Scheme may rise or fall from time to time. You should also note that past performance is not an indicator of future performance. For further information about the Scheme, you should read and consider the Scheme's *Member Benefit Guide* which you can obtain by calling the Manager on (08) 8204 3826.