



SUPER INFO

SUMMER 2023

WHAT'S INSIDE:

- Changes to investment options
- Changes at a glance

It has been a busy time for the Scheme since the Spring edition of Super Info...

The Scheme Manager, Darren Royals, met with members at the UFUSA Office on 19 October to answer questions and discuss any issues that members wished to raise with the Trustee Board. This was invaluable in building a better understanding of matters of concern to members in relation to the Scheme.

The Trustee Board is considering all the feedback provided. A working copy of the Trust Deed of the Scheme has been added to the members only section of the website. Shortly a summary of the actuarial report will also be provided.

There have been some changes to the Trustee Board in the last year. The current Board is as follows;

Employer Representatives

Michael Morgan, Peter Mason, Jeff Swann and Garry Powell.

Member Representatives

Nominated by the UFU:

Max Adlam, Matt Watherston and Neil Mangelsdorf.

Elected by Scheme members who are not eligible to join the UFU:

Louise Gardner.

Alternate Employer Representatives

Paul Fletcher, Eero Haatainen.

A Pre-Retirement seminar was held on Thursday 1 December. Approximately 50 Scheme members attended and heard presentations on the Scheme, Investments and Post Retirement Products and Retirement Planning and enjoyed the light lunch provided afterward. Look out for the next Pre-Retirement Seminar to be held in June 2023.

The ESO Tenancy Migration has now occurred. We will attempt to update old @sa.gov.au and samfs.sa.gov.au

email addresses to the new @eso.sa.gov.au email address, but if you have an opportunity, please go online to check that your email address is current.

As result of the Federal Budget in October, the Government will allow more people to make downsizer contributions to their superannuation by reducing the minimum eligibility age from 60 to 55 years of age.

The downsizer contribution, allows people to make a one-off post-tax contribution to their superannuation of up to \$300,000 per person from the proceeds of selling their home. Both members of a couple can contribute and contributions do not count towards non-concessional contribution caps.

This measure provides greater flexibility to contribute to superannuation and aims to encourage older Australians to downsize sooner to a home that better suits their needs. This will also help to increase the availability of suitable housing for Australian families.

This measure is currently before Parliament, and if passed, will take effect from the start of the first quarter 2023.

The 2022 Annual report is now available on the member website. <https://www.sametrofiresuper.com.au/documents.html>

Finally, the Trustee Board, Darren and Nicky would like to wish all of our members a very Happy Holiday season and a peaceful and prosperous New Year. We look forward to continuing to serve our members in 2023.

Garry Powell

Chairperson

Changes to investment options

Important information about changes to the Capital Defensive and Conservative investment options.

Changes are being made to the investment options available to the 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.

Changes to the Capital Defensive and Conservative investment options

Funds SA will make the following changes to the strategic asset allocation and ranges for the Capital Defensive and Conservative investment options, which will be progressed commencing 1st February 2023.

The most significant change is the introduction of the Diversified Strategies Growth asset class to the Capital Defensive and Conservative investment options. This gives the Options exposure to infrastructure investments and private equity.

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 **Risk** quiz, available on the **Dashboard** page of the SAMSF Super Scheme website, www.sametrofiresuper.com.au. 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

Capital Defensive investment option

The following table shows the changes to the asset allocation and ranges.

Capital Defensive investment option				
Asset Class	Current Strategic asset allocation	New Strategic asset allocation	Current Range	New Range
Cash	13	18	0 – 25	0 – 30
Fixed Interest	37	34	20 – 55	20 – 45
Inflation-Linked Securities Taxable	15	5	5 – 25	0 – 20
Diversified Strategies Income	17	13	5 – 30	0 – 25
Property Taxable	6	6	0 – 20	0 – 20
Australian Equities Taxable	5	5	0 – 15	0 – 15
International Equities Taxable	7	7	0 – 20	0 – 20
Diversified Strategies Growth Taxable	0	12	n.a.	0 - 25

There have been **no changes** to the investment objectives. The table below shows the investment objectives the option aims to achieve.

Investment objectives	Capital Defensive investment option
Target rate of return	CPI + 0.5%
Investment time horizon	2+ years
Risk of negative return	2 to 3 years in 20
Growth asset allocation ranges	10-40%
Risk classification	Medium risk (risk band 4)

Conservative investment option

The following table shows the changes to the asset allocation and ranges.

Conservative investment option				
Asset Class	Current Strategic asset allocation	New Strategic asset allocation	Current Range	New Range
Cash	10	14	0 – 20	0 – 25
Fixed Interest	23	22	10 – 45	10 - 35
Inflation-Linked Securities Taxable	15	4	5 – 25	0 – 20
Diversified Strategies Income	18	17	5 – 30	5 – 30
Property Taxable	9	7	0 – 20	0 – 20
Australian Equities Taxable	11	10	0 – 25	0 – 25
International Equities Taxable	14	14	0 – 25	0 – 25
Diversified Strategies Growth Taxable	0	12	n.a.	0 - 25

Changes at a glance (continued)

There have been **no changes** to the investment objectives. The table below shows the investment objectives the option aims to achieve.

Investment objectives	Conservative investment option
Target rate of return	CPI + 1.5%
Investment time horizon	4+ years
Risk of negative return	2 to 3 years in 20
Growth asset allocation ranges	25-55%
Risk classification	Medium risk (risk band 4)

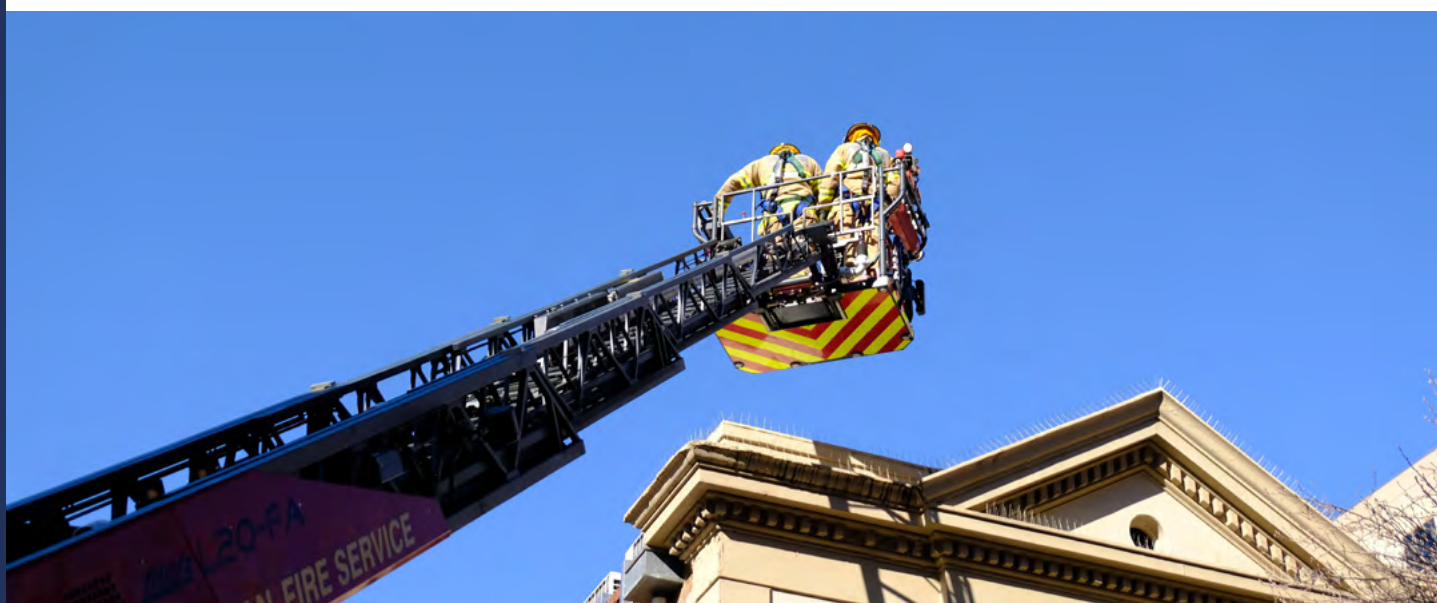
For each investment option, the asset allocation will vary within the individual asset class ranges shown in response to changes in the investment market environment, as will the overall allocation to growth assets and defensive assets. Funds SA reserves the right to vary the asset allocation, including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

When do these updates come into effect?

These changes will be progressed commencing 1st February 2023. From this date, Funds SA will manage the investment options within the new ranges. When appropriate market conditions occur, Funds SA will shift the allocation towards the new target for the Capital Defensive and Conservative investment options, however this may be implemented over multiple years given the nature of investment markets.

What will this mean for fees?

The Indirect costs vary due to a number of factors. These include growth in funds under management, changes to investment managers, changes to fee schedules, performance fees and transactional and operational costs being different to expectations as well as the asset allocation of the investment option. Increasing the allocation to Diversified Strategies Growth is expected to increase the indirect costs of the relevant investment options, while also increasing the probability to maximise returns for the level of risk.



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.