

## Message from the CEO

I'm pleased to announce that we delivered strong returns for members in the 2016/17 financial year. Our MySuper Balanced option achieved a **double-digit return of 10.10%**, while our Balanced option for pensions reached 11.35%.

It's important to remember, however, that superannuation is a long-term investment. While strong returns in any one year are a positive result, we're focused on providing you the best retirement outcome. That's why we're proud of our average annual returns of 9.70% for MySuper Balanced (1978 to 2017) and 5.15% for Balanced (2008 to 2017).

Our aim is always to put our members first. So over the past year, we've worked hard to enhance our digital platforms, including our refreshed mobile app. You can now log in to the app using a four-digit PIN, making it easier than ever to access your account. If you haven't downloaded it yet, simply search for 'LUCRF' in your app store.



**Charlie Donnelly**  
Chief Executive Officer

## Insurance premiums are going down

Good news! From 1 October 2017, the cost of insurance will decrease.

For most members, this means more money in your super account.

### Example

If you have an employer who pays contributions into your super account, you receive 1 unit of Light Blue Fixed Premium Death & Total and Permanent Disablement insurance on joining us<sup>#</sup>. **The cost of this insurance will drop from \$3 to \$2.55 per week.**

You don't need to do anything as premiums are automatically deducted from your account. For more information, please refer to our Insurance Guide at [lucrf.com.au](http://lucrf.com.au) from 1 October 2017.

## 3 great reasons

to rollover your super into one LUCRF Super account:

- save money by paying only one set of fees
- save time by reducing paperwork
- easily keep track of your super.

Call **1300 130 780** to start the rollover process today.

Before rolling over, you should check how it might affect your insurance in other funds and if they have any exit fees.



## The banks are coming after your super!

There are two models of superannuation in Australia – one that delivers profits to members and one that delivers profits to shareholders. Since our beginning in 1978, LUCRF Super has always been an industry fund run only to benefit members.

On the other hand, bank-owned retail funds are run to generate profits which are used to pay dividends to shareholders.

**Now, banks are pushing for changes to super that would give more profits to their shareholders. These bank-sponsored changes undermine the ability of industry funds like us to invest and grow the savings of members. That's not fair.**

Independent research has shown that when compared to bank-owned funds, industry funds continue to deliver higher returns and charge lower fees.<sup>^</sup> Letting the banks take over your super would mean less for your retirement. That's why we want the government to stop the banks from getting their hands on your super. To find out more, visit [banksarentsuper.com](http://banksarentsuper.com).

<sup>\*</sup>SR50 Balanced (60-76) Index, SuperRatings Fund Crediting Rate Survey, June 2017. <sup>#</sup>Eligibility criteria applies.

<sup>^</sup>Sources: SuperRatings Fund Crediting Rate Survey, SR50 Balanced (60-76), June 2017 and 'Superannuation Industry Revenue Report 2017', Rainmaker Consulting, May 2017. Past performance is not a reliable indicator of future performance.

# Changes to fees and charges

We're changing the way our fees and charges are structured to provide greater transparency.

Our administration fee of \$1.50 per week remains the same (and hasn't changed since November 2012). From 1 October 2017, you'll also be charged a percentage-based administration fee of 0.22% per annum. This will be calculated on your average daily account balance and deducted from your account on a monthly basis. It's important to note that **this fee is not a new fee**; it was previously deducted as part of our investment fee structure. This means our investment fees (which cover the costs of managing our investment options) have dropped, as outlined in the table below.

Investment option	Current investment fee (net of tax)	Investment fee from 1 Oct 2017 (net of tax)
<b>Pre-mixed options</b>		
MySuper Balanced (default)*	0.69%	0.32%
High Growth	0.75%	0.35%
Targeted Return	0.77%	0.18%
Moderate	0.58%	0.25%
Conservative	0.48%	0.20%
<b>Asset class options</b>		
Australian Shares	0.67%	0.35%
International Shares	0.85%	0.42%
Indexed Shares	0.28%	0.18%
Property	0.28%	0.27%
Cash	0.28%	0.10%

\*This is the same as the Balanced option available to pension members.

Note: these fees (net of tax) are deducted from the fund's investments earnings before they're credited to your account. For details of fees gross of tax please refer to our Pension Member Guide, available on our website or by calling us.

## Indirect cost ratio

New government regulations are being introduced that will require all super funds to disclose indirect costs (known as the 'indirect cost ratio' or 'ICR') that relate to the costs of managing investments, such as transaction costs. While these costs have always been incurred, we're now making them clearer. **Importantly, they do not change our net investment returns.**

The ICR is not a fee and is not deducted directly from your account balance. Instead, it represents indirect costs incurred by us and our investment managers in generating the fund's investment earnings.

From 30 September 2017, we'll be disclosing an ICR, which will vary depending on which investment option(s) you've chosen. The ICR needs to be calculated based on the costs incurred in the previous financial year and will likely change each year. We're currently calculating the ICR for each investment option for the 2016/17 financial year. When ready, these figures will be available on our website and in our publications, including our Investments Guide.

## Activity fees

Activity fees are prescribed fees set down by superannuation legislation to cover the costs of providing a particular service, such as paying a benefit. From time to time, we review these fees to ensure that you pay no more than the costs we incur to provide these particular services.

Activity fee type	Current fee (net of tax)	Fee from 1 Oct 2017 (net of tax)
Retirement	\$65	\$60
Rollover to another fund	\$25	\$20
Severe hardship	\$50	\$50
Compassionate grounds	\$55	\$60
Death/TPD	\$130	\$170
Departing Australian superannuation payment (DASP)	\$25	\$20
Small account balance	\$25	\$20
Terminal illness	\$25	\$20
Family law split fee*	\$120	\$136
Family law enquiry fee	\$26.40	\$33

All fee calculations are inclusive of GST.

\*This figure is split evenly between the two parties.

Note: these fees (net of tax) are deducted directly from your account balance. For details of fees gross of tax please refer to our Pension Member Guide, available on our website or by calling us.

**We're continually working hard to deliver strong long-term returns and excellent service at minimal cost to you. If you have any questions about our fees and charges, call us on 1300 130 780.**

## Our Privacy Policy and Information Collection Statement have changed

We recently announced the introduction of e-statements and our new-look mobile app. We'll continue to increase our use of digital communications, marketing campaigns and analysis to provide products and services that best suit your needs. To incorporate this, and other changes, we've updated our Privacy Policy and Information Collection Statement. You'll find them at [lucrf.com.au](http://lucrf.com.au).

**1300 130 780**  
[lucrf.com.au](http://lucrf.com.au)



**LUCRFsuper**

Australia's first industry fund



Issued August 2017 by L.U.C.R.F Pty Ltd ABN 18 005 502 090 AFSL 258481 as Trustee for Labour Union Co-Operative Retirement Fund (LUCRF Super) ABN 26 382 680 883. This is general information only and has been prepared without taking into account your personal financial situation, objectives or needs. General information is not advice. You should assess your personal financial situation before making a decision about LUCRF Super. To help you decide we recommend you read our current Product Disclosure Statement (PDS), available at [lucrf.com.au](http://lucrf.com.au) or by calling 1300 130 780. If you no longer wish to receive our marketing material, please contact us by phone, email or post. Please read our Privacy Policy at [lucrf.com.au/privacy](http://lucrf.com.au/privacy).