

Unit pricing explained

What is unit pricing?

When you invest in one of LUCRF Super's investment options, your money in that option is represented by units. The number of units allocated to you depends on how much money you've invested in that option, and the option's unit price.

Like shares, unit prices move up and down each day in line with the earnings for each investment option.

Unit prices increase when investment earnings are positive and are greater than the investment fees and investment-related tax for the relevant option.

Unit prices decrease when investment earnings are negative or they're less than the fees and tax for the relevant option.

All investment earnings are thus reflected in the unit price of each investment option.

Unit prices are calculated after investment fees and taxes are deducted from the total investment asset valuations. They're not deducted directly from your account.

How does unit pricing work?

A contribution into your super account 'buys' units in your chosen investment option based on the daily unit price when the contribution is received by us.

The opposite happens, however, if any money is deducted, or you receive a pension payment.

Any deductions from your account 'sell' a number of units in your chosen investment option for the value chosen, based on the appropriate daily unit price (dependent on the transaction type).

Any other deductions from your account, such as administration fees and costs (disclosed in our Fees and Costs booklet), also involve the sale of some units.

When will my change of investment option take effect?

You can make one investment change a day. If you make a request before 4pm AEST/AEDT on any business day, your account will be invested in your new investment choice using the unit price allocated for that day, which will not be known for at least one to two business days. Your new investment choice will appear in your account two business days after your request was received.

Requests received on or after 4pm AEST/AEDT on a business day, or on weekends or public holidays, will be invested using the unit price allocated for the next available business day.

Please note that changing your investment options during times of market volatility may result in locking in a loss. If you change how your super is invested, investment earnings will be calculated and 'locked-in' (as either a credit or a debit) using the relevant daily unit price as at the date of the change.

Your account balance is then invested in your new investment choice according to the percentages you have requested.

Example

Contribution	John makes a \$10,000 contribution into his super account on 1 January 2019 and invests all of it in the MySuper Balanced option.
Unit price	\$1.00 (the unit price for the MySuper Balanced option on 1 January 2019).
How it's calculated	To work out the number of units he'll be allocated, John divides his contribution by the unit price: $\$10,000 \div \$1.00 = 10,000$ units.
If the unit price increases	If the unit price increases at a later date to \$1.10, John can work out the value of his super on this date by multiplying the number of units he has (10,000) by \$1.10 (10,000 units x \$1.10 = \$11,000).
If the unit price decreases	If the unit price decreases at a later date to \$0.94, the value of John's super on this date will be \$9,400 (10,000 units x \$0.94).

Annual returns and unit prices

You may notice a slight difference between your balance and the unit price you see on your online account, versus the official annual returns printed on your LUCRF Super statement.

Although these variations are usually small, they can be confusing.

These small differences are captured when we calculate the monthly and annual returns a few days after the end of each month, meaning our published returns are more reflective of the month or year's market movements.

Are there different unit prices for super and retirement pension accounts?

Yes there are. Unit prices do vary between the same investment options for super and retirement pension accounts. This is because the earnings on assets within super and Transition to Retirement (TTR) accounts are subject to tax and other expenses, whereas the earnings on assets are tax-free within retirement pension accounts.

Where can members find the daily unit price for each investment option?

LUCRF Super issues a unit price on every business day. A business day is not a weekend or national public holiday.

View Super, TTR and Pension unit prices on our website and on the LUCRF Super app. You can download the app here:



When you check your balance online, it won't reflect today's valuations in the underlying assets as this isn't calculated until the end of the business day. For instance, if the Australian share market rises 1% today, it will be one-to-two business days before you'll see this reflected in the unit price applicable for today.

Any questions?

Please call us on **1300 130 780**.

Want to know more about our investment options and what might be right for you?

Call us to speak with one of our advisers on 1300 130 780. This advice is included as part of your LUCRF Super membership.



Contact us
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