

# IMPORTANT INFORMATION

## Changes to your account

As part of a regular review of our superannuation products and services, we have identified opportunities to improve retirement outcomes for our customers.

In coming weeks we will be making a range of changes including some variations to some investment options.

These will be automatically applied on 1 April 2021.

There is nothing else you need to do.

### Investment details

As part of the review process we refine the objectives of each investment option to ensure they align with current market conditions and provide the best possible outcomes for our customers. The objectives the Enhanced Index options will be updated as of 1 April 2021.

Option	Prior to April 2021	From 1 April 2021
Enhanced Indexed Growth	CPI + 3.0% pa over 5 years	CPI + 2.0% pa over 5 years
Enhanced Indexed Conservative Growth	CPI + 1.0% pa over 3 years	CPI + 0.5% pa over 3 years

Asset allocation ranges and benchmarks for Enhanced Indexed Options will also be changing as of 1 April 2021.

Enhanced Indexed Growth				
Asset class	Benchmark % prior to 1 April 2021	Range prior to 1 April 2021	Benchmark % from 1 April 2021	Range from 1 April 2021
% Growth Assets	72%	50 - 90%	75%	55 - 95%
% Defensive Assets	28%	10 - 50%	25%	5 - 45%
Australian Shares	30.0%	15 - 45%	29.0%	15 - 45%
International Shares	34.0%	20 - 50%	36.0%	20 - 50%
Real Assets	8.0%	0 - 30%	5.0%	0 - 25%
Alternative Assets	0.0%	0 - 10%	5.0%	0 - 15%
Growth Fixed Interest	0.0%	0 - 10%	5.0%	0 - 15%
Defensive Fixed Interest & Cash	28.0%	15 - 45%	20.0%	5 - 35%

Enhanced Indexed Conservative Growth				
Asset class	Benchmark % prior to 1 April 2021	Range prior to 1 April 2021	Benchmark % from 1 April 2021	Range from 1 April 2021
% Growth Assets	34%	15 - 55%	35%	15 - 55%
% Defensive Assets	66%	45 - 85%	65%	45 - 85%
Australian Shares	14.00%	0 - 30%	13.00%	0 - 30%
International Shares	16.00%	0 - 30%	15.00%	0 - 30%
Real Assets	4.00%	0 - 25%	2.00%	0 - 20%
Alternative Assets	0.00%	0 - 10%	5.00%	0 - 15%
Growth Fixed Interest	0.00%	0 - 10%	5.00%	0 - 15%
Defensive Fixed Interest & Cash	66.00%	50 - 80%	60.00%	45 - 75%

## Changes to Indirect Cost Ratios (ICRs)

Managing your super involves some indirect costs, such as investment management fees and operational costs. There have been some changes to how the Indirect Cost Ratios (ICRs) are calculated. Effective from 1 July 2020, investment fees for direct property and infrastructure managers will now be included in the ICR, while property operating costs will no longer be included.

Based on these changes, we expect the ICR for each option to remain largely unchanged.

The ICR for the year ending 30 June 2020 are set out below.

Investment option	Indirect cost ratio (% per annum)
Cash	0.03
Indexed Australian Listed Property	0.09
Indexed Diversified Shares	0.07
Enhanced Indexed Conservative Growth	0.11
Enhanced Indexed Growth	0.1

The ICRs are for the year ending 30 June 2020 and are based on the actual information available and/or reasonable estimates for the period as at the date of this Supplementary Annual Report. As the investment options have not been in operation for the full year to 30 June 2020 an annualised ICR has been provided. The ICRs may vary from year to year. The ICR consists of indirect costs (including but not limited to, performance related fees, any expense allowance charged by external investment trusts or managers, the net explicit transactional and operational costs and Over the Counter Derivative costs used for either hedging and non-hedging purposes) incurred by the underlying investment vehicles of the Mercer Super Trust.

## Regulatory changes

The Federal Government has implemented a number of new superannuation rules which may impact your insurance arrangements as well as the operation of Eligible Rollover Funds.

## Eligible Rollover Fund closure

The government has announced that all Eligible Rollover Funds will close to new transfers from 1 May 2021. Under the proposed rules, super funds will be able to voluntarily transfer amounts to the Australian Tax Office (ATO). Super benefits that would previously have been transferred to SuperTrace Eligible Rollover Fund will remain in Kogan Super until they can be transferred to the ATO. Any insurance cover you had in the Kogan Super will cease when your super benefit is transferred. These changes have not yet been legislated.

## Insurance

We are continuing our journey to transition to the Insurance in Superannuation Voluntary Code of Practice. Over coming months further information will be provided about insurance in Kogan Super on our website. For more information about Mercer's transition to the Insurance in Superannuation Code of Practice, visit our website at [kogansuper.com.au](http://kogansuper.com.au)

## We're here to help

For more information, visit [kogansuper.com.au](http://kogansuper.com.au) or call us on 1800 517 212 from 8am to 6pm (AEST/AEDT) Monday to Friday. If you're calling from outside Australia, call +61 3 8306 0900.

Your fund,

Kogan Super

The Significant Event Notice informs you of important changes to Kogan Super. Please read the information contained in this notice with your Product Disclosure Statement and any other customer materials you have received since joining Kogan Super.

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