

Significant Event Notice

1. Change to investment options effective 31 December 2014
2. Change to fees & costs from 1 July 2015
3. Change to insurance premiums and terms from 1 July 2015

1. Change to Investment Options effective 31 December 2014

Following a review of NSF Super's investment strategy, changes have been made to the target asset allocation for some of NSF Super's investment options, with effect from 31 December 2014.

The new approach is aimed at maintaining an appropriate level of diversification in the portfolio with the key objective of providing higher returns over the longer term.

Changes to target asset allocation

The table below sets out the new target asset allocations for the various NSF Super investment options, effective 31 December 2014. Please note there was no change to the target asset allocation of the NSF Cash investment option.

Asset class	NSF MySuper / NSF Diversified ¹				NSF High Growth			
	Target (%)				Target (%)			
	Old Range	New Range	Old Target	New Target	Old Range	New Range	Old Target	New Target
Australian shares	15-40	15-40	27	29.5	15-55	20-50	38	37
Global shares	10-35	15-40	22	24.5	15-55	20-50	32	35
Real assets	0-20	5-25	7	17	0-20	0-20	10	14
Growth fixed income	0-20	0-15	8	5	0-25	0-15	12	6
Alternatives	0-10	0-10	6	5	0-10	0-15	8	8
Defensive fixed income	10-35	5-30	23	14	-	-	-	-
Cash ²	0-20	0-20	7	5	-	-	-	-

Asset class	NSF SRI/Ethical				NSF Prudent			
	Target (%)				Target (%)			
	Old Range	New Range	Old Target	New Target	Old Range	New Range	Old Target	New Target
Australian shares	15-40	15-40	27	29.5	0-20	0-20	13	13
Global shares	10-35	15-40	22	24.5	0-20	0-20	12	13
Real assets	0-20	5-25	7	17	0-6	0-10	4	6
Growth fixed income	0-20	0-15	8	5	0-6	0-6	4	3
Alternatives	0-10	0-10	6	5	0-10	0-10	4	3
Defensive fixed income	10-35	5-30	23	14	35-65	35-60	43	42
Cash	0-20	0-20	7	5	10-40	10-35	20	20

¹ From 1 September 2013, this option became known as the NSF Super MySuper option for members in the Employer Sponsored Division only.

² Please note that in addition to the target asset allocation for cash asset class, some fund managers may hold cash at certain times.

Change to risk profile – NSF Prudent

As a result of the change in target asset allocation, the risk profile of the NSF Prudent investment option has been reviewed. The table below sets out the new assessed risk profile, effective 31 December 2014.

Please note there was no change to the risk profiles of the other NSF Super investment options.

NSF Prudent	Old	New
Risk profile	Medium risk	Low to medium risk
Risk band <i>Refer to nsfsuper.com.au/risk-bands</i>	4	3
Risk of a negative return in a 20 year period <i>Estimated number of negative annual returns over any 20 year period. Source: Mercer Investments (Australia) Ltd.</i>	2	1.5

2. Change to Fees & Costs from 1 July 2015

As a not-for-profit organisation, it is the responsibility of the Trustee of NSF Super to ensure that the fund can continue to operate in a prudent and equitable manner.

The Trustee has reviewed the existing fee structure to ensure it:

- will continue to enable a high quality suite of products and services to be provided to NSF Super members;
- remains fair and reasonable across the membership base;
- will continue to be competitive across the industry;
- will continue to meet the regulatory requirements.

Summary of changes

The amended fees, set out below, will be effective from 1 July 2015.

Please note there is no change to any of NSF Super's other fees and costs.

NSF Super – NSF MySuper / NSF Diversified [^] investment option			
Type of fee	Existing Amount (up to and including 30 June 2015)	New Amount (effective from 1 July 2015)	How and when paid
Administration fee	\$78 p.a. (\$1.50 per week)	\$130 p.a. (\$2.50 per week)	Calculated daily and deducted from your account on the last Friday of the month or upon exit.
Indirect cost ratio ¹	1.47% p.a.	0.99% p.a.	An estimate of costs that are not deducted directly from your account, that will reduce your investment return.

[^] From 1 September 2013 this option became known as NSF MySuper option for members in the Employer Sponsored Division only.

¹ Calculated based on various estimates as well as information contained in the 30 June 2014 financial statements. Actual costs may vary from year to year.

Example of annual fees and costs – from 1 July 2015

This table gives an example of how the fees and costs for the NSF MySuper / NSF Diversified option can affect your superannuation investment over a one year period. You should use this table to compare this product with other superannuation products.

EXAMPLE – the NSF MySuper / NSF Diversified option		BALANCE OF \$50,000
Investment fees	Nil	For every \$50,000 you have in the NSF MySuper / NSF Diversified option you will be charged \$0 each year
PLUS Administration fee	\$130 (\$2.50 per week)	And , you will be charged \$130 in administration fees regardless of your balance
PLUS Indirect costs for the product	0.99%	And , indirect costs of \$495 each year will be deducted from your investment
EQUALS Cost of NSF Super		If your balance was \$50,000, then for that year you will be charged fees of \$625* for the NSF MySuper / NSF Diversified option

Note: *Additional fees may apply.

And, if you leave NSF Super, you may also be charged an exit fee of \$70.

*Note: prior to 1 July 2015, fees of **\$813** applied.

Other investment options

The Indirect cost ratio for the other investment options available in NSF Super are as follows:

Investment option	Amount of indirect cost ratio (up to and including 30 June 2015)	Amount of indirect cost ratio (effective from 1 July 2015)
NSF Cash	0.99% p.a.	0.50% p.a.
NSF Prudent	1.26% p.a.	0.77% p.a.
NSF SRI/Ethical	1.66% p.a.	1.17% p.a.
NSF High Growth	1.56% p.a.	1.07% p.a.

Except for the Indirect cost ratio, the fees and costs for our other investment options are the same.

For definitions of these fees and costs, refer to nfsuper.com.au/fees.

Please refer to the *Product Disclosure Statement (PDS)* and *Member Guide* (both to be reissued 1 July 2015) for further information about our fees, costs and product details, available online at nfsuper.com.au/forms. For any other help you need, simply contact the NSF Super team on 1800 025 241 or by email to enquiries@nfsuper.com.au

3. Change to Insurance Premiums and Terms from 1 July 2015

From 1 July 2015, the cost of insurance cover for NSF Super members will increase.

Why have premiums changed?

NSF Super and MetLife Insurance Limited have been partners since May 2012 with MetLife providing valuable insurance protection to NSF Super members. Through this partnership, NSF Super is able to offer competitive insurance options, including Death, Total and Permanent Disablement (TPD) and Income Protection cover to eligible members, many of whom rely on this cover to protect themselves and their families.

Recently NSF Super has renegotiated its insurance contract with MetLife Insurance Limited to make sure that insurance premiums continue to remain sustainable for members. The group insurance industry has been facing significant cost pressures over recent times, due to an increase in adverse claims experience and insurer costs. These difficult insurance market conditions have resulted in increased insurance premiums for most super funds over recent years, with no exception for NSF Super.

As a not-for-profit super fund run only to benefit members, NSF Super aims to negotiate the best possible premiums for its members and we have been successful in maintaining unchanged insurance benefit levels, features and policy definitions for members. For the majority of NSF Super members, default Death & TPD insurance cover will remain affordable, costing less than \$0.70 per day after the increase.

Automatic default cover

The cost of automatic Death & Total and Permanent Disablement (TPD) cover varies according to your age. The table below sets out the old and new weekly premium rates, from 1 July 2015.

Please note there is no change to the level of insured benefit of the automatic Death & TPD insurance cover provided.

Age Next Birthday	Cost (per week)*	
	Up to 30 June 2015	From 1 July 2015
13 – 24	\$2.00	\$3.24
25 – 54	\$3.00	\$4.86
55 - 70	\$2.00	\$3.24

*Your premium cost is calculated daily and deducted from your NSF Super account on a monthly basis. The cost is correct as at 1 July 2015. The rate may change in the future.

Additional exclusion

A new exclusion has been introduced whereby no benefit will be payable where the payment of such benefit would expose MetLife Insurance Limited (the insurer), NSF Nominees Pty Ltd or you to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, Australia or United States of America.

Insurance policies

This notice summarises the 1 July 2015 changes to the cost of Death and TPD insurance cover automatically provided to eligible NSF Super members. Members holding voluntary Death, TPD and/or Income Protection insurance cover will shortly receive a letter outlining how the increased cost of insurance cover will affect them.

All insurance cover provided to members is subject to the terms and conditions set out in the relevant Policy. If there is any inconsistency between this notice and the terms and conditions of the relevant Policy, the Policy terms and conditions prevail to the extent of the inconsistency. Please contact NSF Super if you would like to request a copy of the Policy.

Further information on changes

You can view further details on NSF Super's insurance arrangements by reading the *Insurance Guide* (to be re-issued on 1 July 2015), available online at nfsuper.com.au/PDS, or contact us to request a printed copy. You can also check your new insurance cover and premium from 1 July 2015 by logging into your NSF Super account via MemberAccess at nfsuper.com.au/login.

If you wish to review your insurance, more information about your insurance options and a calculator to help you determine your insurance needs can be found at nfsuper.com.au/insurance.

Getting help

You can call the NSF Super team on 1800 025 241 to obtain general advice (without taking into account your personal circumstance) about any of NSF Super's investment and insurance options.

As a NSF Super member, you can get help with making decisions about your super, from a Money Coach from Money Solutions over the phone. A Money Coach can help you choose the right options for your particular circumstances and help get your super on track for retirement.

Because NSF Super wants its members to make good decisions about super, we will pay for the first piece of advice you receive.* To get started, simply contact the NSF Super team on 1800 025 241.

For any other help you need, simply contact the NSF Super team on 1800 025 241 or by email to enquiries@nfsuper.com.au

This document contains general information only and has been prepared without taking into account your financial objectives, situation or needs. It may therefore, not be right for you. Before you make any investment decision, we suggest you consult NSF Super's Product Disclosure Statement and/or seek licensed financial advice.

The financial advice service available for NSF Super members, will be provided by Money Solutions Pty Ltd, AFSL 258145. Neither Money Solutions Pty Ltd nor its employees are representatives of NSF Nominees Pty Ltd, the Trustee of NSF Super. No commissions are paid by any party to any other party, for referring NSF Super members to Money Solutions Pty Ltd.

NSF Nominees Pty Ltd does not accept liability for any loss or damage incurred by anyone using Money Solutions products or services.

^NSF Super will pay for the first piece of advice you receive on a single super issue over the phone.

NSF Nominees Pty Limited ABN 29 053 228 667 AFSL 253129

Trustee of Nationwide Superannuation Fund ABN 15 201 768 813

Administered by PSI Superannuation Management Pty Limited ABN 93 003 422 320

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