

FACTSHEET

What is a SFT?

A SFT or Successor fund transfer is essentially the transfer of your superannuation benefits from one Super Fund to another. When considering an SFT, both the successor and transferring trustees have a duty to ensure the equivalence of 'rights in respect of the benefits' for every transferring member and that the transfer is in the best interests of the members of the transferring fund as a whole and the members of the receiving fund as a whole.

Why is GROW Super SFTing?

Regulatory change has been introduced by the federal government and regulatory bodies such as APRA over the last few years at a significant pace. These changes have increased the complexity and costs of administering superannuation funds resulting in mergers being actively encouraged between superannuation funds. A merger results in a larger fund, which typically achieves a range of efficiencies that ease the pressure of rising costs upon members. The Trustee of GROW Super a sub plan of LESF Super has considered that as the Funds are unlikely to have sufficient scale (in terms of members and the amount of assets) to be viable in the medium to long-term, that it is in the best interests of members to become part of a fund that can offer these features and benefits.

How will it affect me?

Your account balance and your member information will be moved by your preceding fund to GROW Super, a sub fund of Smartsave. Current superannuation legislation states that the transfer can be effected without obtaining your consent. Because the transfer to Smartsave will take place without your consent, you do not need to take any steps in order to allow your member account balance to be transferred to the fund.

For further information, you can refer to the significant event notice attached which outlines the transfer.

What's the timeline for this process?

What will occur	Date
Initial letter of intent to successor fund transfer was sent to you	7 April 2020
SEN and factsheet mailed to you	On or about 29 May 2020
Unit pricing of GROW Super Growth MySuper investment option changed to daily valuation calculation	19 June 2020
Successor fund transfer approved by trustee	25 June 2020
Last day you can contribute for the current Financial Year to the LESF bank account	25 June 2020
Successor fund transfer and pause in processing (black-out period) (pause in processing) for transacting and administration on your member account commences	30 June 2020
Ability to contribute into Smartsave (Smartsave/GROW Super) bank account commences	1 July 2020
Pause in processing (Blackout period) for transacting and administration on your member account ceases	16 July 2020
Successor fund transfer completed	17 July 2020
Catch up on transaction processing and unit prices completes	17 July 2020
Final statement from LESF/GROW Super and Welcome letter to Smartsave/GROW Super is sent to you	On or about 24 July 2020

The Timeline will also be available on the growsuper.com website.

How does the pause in processing work?

A pause in processing (known as a black-out period) occurs when major changes are being made in your superannuation fund. This pause in processing will

enable the smooth and prompt transfer of your assets and records from LESF/GROW Super to GROW Super as a sub plan of Smartsave.

This pause in processing will be between Tuesday 30 June 2020 and Thursday 16 July 2020.

As a result of the pause in processing, we will be unable to process any standard requests/transactions involving money leaving the fund (cash withdrawals or rollover out requests) or investment transactions (investment switches) within GROW Super.

From Wednesday 1 July 2020, contributions will be made to the GROW Super applications account in Smartsave and will be allocated to your member account at the unit price on day of receipt upon completion of the SFT.

Processing will resume upon completion of the SFT, when unit prices are updated, expected to be Friday 17 July 2020. The pause in processing may be subject to change. If there is a delay, you will be informed as soon as possible with an update.

COVID-19 – Early release of super payments during the period of the SFT

We will be facilitating COVID-19 early release of super withdrawals during the black-out period.

Withdrawals will be paid from your member account as the CoViD-19 determinations are received from the ATO. However, the withdrawals will be paid as follows:

- Partial withdrawals where your member account balance is greater than \$11,500 will be paid out to you in full,
- Partial withdrawals where your member account balance is between \$10,000 and \$11,500 will be paid out to you in two instalments. An initial 80% payment will be paid upon receipt of the determination from the ATO, then the remainder up to your approved amount upon completion of the successor fund transfer, or
- Full withdrawals where your member account balance is less than \$10,000 will be paid out to you in two instalments. An initial 80% payment, with the balance paid to you upon closure of your member account on completion of the successor fund transfer and the availability of the 16 July unit price.

Final payments will be made when the unit price of the day of receipt of the COVID-19 advice from the ATO is available. You may wish to consider that where a full withdrawal is made and your member account is closed, your insurance will be cancelled. Further information is available on COVID-19 early release of super payments at ato.gov.au.

Why Smartsave?

The Trustee has chosen Smartsave as the preferred fund because it can provide:

- A sub plan and separate identity for members of GROW Super.
- A low cost MySuper option for both Smartsave, LESF, and GROW Super members. This enables default superannuation contributions to be accepted for current and new employees who do not choose a superannuation fund or an investment option when joining,
- Continued existing default insurance cover based on your age where applicable, and
- A larger superannuation fund with improved benefits to members over time.

Smartsave offers three superannuation account types to suit members' life stages.

Accumulation



During your working life, you add to your Account via different types of contributions including employer, personal and government contributions. If eligible, you will probably stay in this stage the longest period

Transition to Retirement



While still working, you can draw down on some of your super benefits to supplement your income when you reach your preservation age. By doing this, you can reduce your working hours while maintaining your lifestyle.

Pension



When you reach your preservation age and have permanently retired, or you reach age 65, you can open a Pension Account where you can enjoy no tax on your investment earnings and capital gains

within your super.

Further information on the member options available to you within GROW Super can be found at growsuper.com.

Will my account balance or details change?

As part of the transfer, all of your relevant member information and your account balance will be transferred to Smartsave/GROW Super by 16 July 2020, with unit pricing on your specific investment options caught up as quickly as possible during July.

Your member number will not change. You will receive a new member welcome letter with your personal member information. For further information, you can refer to the Significant event notice attached which outlines the transfer.

What happens to my binding, non-binding or non-lapsing death nomination?

Any existing binding nominations, non-binding or non-lapsing nominations of beneficiaries will no longer operate and new nominations will be required once the transfer has been completed. These death benefit nomination forms can be obtained by emailing grow@growsuper.com.

Can I make contributions to my new member account?

Subject to eligibility, of course you can. Your super is not only one of the most important investments you can make in your lifetime, it is also one of the most tax effective ways to invest for your retirement. Making regular contributions to your super will go a long way towards realising your dreams of financial independence. Your GROW Super member account accepts contributions of all types including Employer SG, Employer Additional, Member personal, and government contributions.

Contributions and banking

You or your employer will be able to contribute electronically for end of financial year contributions to your existing GROW Super member account using the GROW Super Unique super identification number (USI)

and relevant bank account details up until 25 June 2020, (allowing three days prior to 30 June for electronic contributions to transfer to the superannuation fund bank account).

From 1 July 2020, contributions will be made to your GROW Super member account in Smartsave.

Smartsave banking details for use after 1 July 2020 are as follows:

Account Name: Diversa Trustees Ltd ATF Smartsave 'Member's Choice Super Master Plan – Application Account

- *Bank BSB:* 083-001
- *Account number:* 88-483-8764
- *Reference:* Your existing Member No

The Fund USI and banking details will also be available via:

- Your Online Member Portal,
- Your clearing house, including the ATO or payroll accounting software.
- Contributions will be held and allocated to your member account as soon as unit pricing has been calculated and caught up, we expect by the third week of July 2020.

What if I want to transfer to another super fund?

If you wish to transfer your super account to another fund prior to the successor fund transfer to Smartsave, you can nominate this by completing a benefit payment form with your preferred super fund, or by completing a withdrawal or transfer out form and forwarding to the fund along with copies of certified original proof of identity documents. Withdrawal forms can be found at growsuper.com. If you do not wish to participate in the transfer, the withdrawal form and all required documentation will need to be received by the Fund by 22 June 2020.

What investment options will available to me in my new fund?

Accumulation Members

You will have access to the same number of investment options as you hold now. As well, you will have the Passive Growth MySuper investment option. as outlined below:

Summary of the Passive Growth MySuper Investment Option		
Who is this Investment Option for?	Members who seek exposure to mainly growth assets and can tolerate a high level of risk over five years. This option invests mainly in growth assets across most asset classes,	
Investment return objective	CPI + 2.5%	
Minimum suggested time frame	5 years	
Standard risk measure	High	
Asset classes	Strategic asset allocation	Asset allocation range
Defensive Assets	30.0%	
Cash	6.0%	2.0%-15.0%
Australian Fixed Income	11.0%	5.0%-20.0%
Global Fixed Income	13.0%	8.0%-25.0%
Growth Assets	70.0%	
Australian Equities	29.5%	17.5%-45.0%
International Equities	33.0%	22.5%-50.0%

Global Listed Property & Infrastructure	7.5%	0.0%-15.0%
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Note: Further details of the GROW Super investment options will be available to you in the Additional Information Guide, available at growsuper.com upon completion of the successor fund transfer.

What are the fees in my new fund?

'Choice' Investment Options

Your administration fees in your GROW Super Choice investment options have not changed, and will be the same for each investment option.

Buy/sell spreads and Indirect Cost Ratio(s) (ICR)

The use of buy-sell spreads is a fairer way of allocating the underlying asset transaction costs related to member transacting activity in an investment option, rather than being charged to all members. Buy-sell spreads are not a fee paid to the administrator.

A buy/sell spread and ICR is being introduced for the Passive MySuper investment option

Table 5: Investment Options – Buy/Sell Spreads and Indirect Cost Ratio for Passive Growth MySuper

Investment Option	Buy spread % p.a.	Sell spread % p.a.	Indirect cost ratio % p.a.
Passive Growth	0.13% p.a.	0.27% p.a.	0.33% p.a.

Note: Further information on Fees can be found in the GROW Super Additional Information Guide, available at growsuper.com upon completion of the successor fund transfer.

Passive Growth MySuper Investment Option

The table below provides an example of the existing fees versus the new fee structure.

Table 6 Passive Growth MySuper investment option

Example - Existing fees -pre 30 June 2020		Balance of \$50,000	Example - Existing fees -post 30 June 2020	Balance of \$50,000
Investment fees	0.00% p. a	For every \$50,000 you have in the superannuation product you will be charged \$0 each year.	0.00%p.a.	For every \$50,000 you have in the superannuation product you will be charged \$0 each year.
PLUS Administration fees	0.83% p.a.	And , you will be charged \$415.00 in administration fees each year.	0.60% p.a. PLUS \$20	And , you will be charged \$320.00 in administration fees each year.
PLUS Indirect Costs	0.46% p.a.	And , indirect costs of \$230 each year will be deducted from your investment.	0.33% p.a.	And , indirect costs of \$165 each year will be deducted from your investment.
EQUALS Cost of product	If your balance was \$50,000, then for that year you will be charged fees of \$645.00 for the superannuation product. What it costs will depend on the investment option you choose.		If your balance was \$50,000, then for that year you will be charged fees of \$485.00 for the superannuation product. What it costs will depend on the investment option you choose.	
Example - Existing fees -pre 30 June 2020		Balance of \$15,000	Example - Existing fees -post 30 June 2020	Balance of \$15,000
Investment fees	0.00%p.a.	For every 15,000 you have in the superannuation product you will be charged \$0 each year.	0.00%p.a.	For every \$15,000 you have in the superannuation product you will be charged \$0 each year.
PLUS Administration fees	0.83% p.a.	And , you will be charged \$124.50 in administration fees each year.	0.60% p.a. PLUS \$20	And , you will be charged \$110.00 in administration fees each year.
PLUS Indirect Costs	0.46% p.a.	And , indirect costs of \$69.00 each year will be deducted from your investment.	0.33% p.a.	And , indirect costs of \$49.50 each year will be deducted from your investment.
EQUALS Cost of product	If your balance was \$15,000, then for that year you will be charged fees of \$193.50 for the superannuation product. What it costs will depend on the investment option you choose.		If your balance was \$15,000, then for that year you will be charged fees of \$159.50 for the superannuation product. What it costs will depend on the investment option you choose.	

How is my Investment Option valued?

- The value of your investment in investment options is equal to the number of units held multiplied by the applicable unit price/s. The value of each unit held and the unit price for each Investment Option changes with the value of the underlying assets of the particular Investment Option.
- Currently, for GROW Super, we calculate the value of the underlying assets of each investment option weekly as at the previous Friday of the week every Sydney business day.
- From on or around the 19th June 2020, this will be transitioned to calculating the value of the underlying assets of each investment option once every Sydney business day, in preparation to SFTing to Smartsave.
- There are some occasions where unit pricing may be delayed where timely and accurate information may not be available to enable a unit price to be struck which accurately reflects the underlying asset values,
- the value of the underlying assets is divided by the number of units on issue for that Investment Option, and the price you receive when you invest, switch or withdraw your super will be the unit price adjusted for the buy/sell spread.

What is happening with my insurance?

Your Insurer Hannover Re and existing insurance policy will transfer to your new GROW Super member account.

If you do not currently have insurance cover in the fund and are a choice of investment member, you will not have any insurance cover after you transfer into GROW Super, a sub-plan of Smartsave. You can apply for insurance cover by completing and returning the Insurance Application and Personal Statement Form which is available by emailing us at grow@growsuper.com.

If you do currently have cover, the insurance cover for death and Total & Permanent Disablement that you currently enjoy in GROW Super will be the same in your member account in GROW Super, a sub-plan of Smartsave.

If you are a MySuper member you will continue to receive the same insurance cover in your member account as you hold now, unless your insurance has been cancelled.

You can however decline to acquire insurance cover or cancel cover at any time by completing and returning an Insurance Application and Variation Form which is available by emailing us at grow@growsuper.com.

Note: Under Putting Members' Interests First (PMIF) reforms, insurance cover cannot be provided to members with inactive accounts. Under the reforms, we cannot provide insurance to existing members with balances which were below \$6,000 or whose balances have been below \$6,000 since 1 November 2019. If you wish to obtain insurance cover, please contact the Fund to find out how to make an election or to apply for insurance.

We are here to help?

- Visit the website at growsuper.com
- Email us on grow@growsuper.com

GROW Super is a superannuation product within LESF Super ABN 13 704 288 646 RSE R1005448 (the Fund). Diversa Trustees Limited ABN 49 006 421 638, AFSL 235153 RSE Licence L0000635 (Trustee) is the Trustee of the Fund and the product issuer. This information is intended to provide you with general information only and does not take into account your personal objectives, financial situation or needs. Before making any financial decisions about GROW Super, it is important that you read the current product disclosure statement (PDS) relevant to your membership and consider your particular circumstances and whether the particular financial product is right for you. The current PDS for each product is available on Grow.com.au. You should consult a financial adviser if you require personal advice.