



SIGNIFICANT EVENT NOTICE

20th December 2016

This notice explains important changes that have been made to AvSuper's member investment choice options. Please read this notice carefully, to ensure that you are aware of these changes, how they will affect you and the date from which the changes take effect.

AvSuper's investment option changes

Effective 1 February 2017

We provide members with exposure to a well diversified range of investment assets (which are actively managed) and investment options structured to target consistent, long term investment performance, within an effective investment governance framework with comprehensive risk controls – which helps AvSuper members maximise their retirement savings.

We monitor our investments continuously and periodically review the applicable benchmarks and ranges for each asset class. From 1 February 2017, there will be some changes to our asset allocations and investment return objectives, as outlined in this notice.

Investment return objectives

The AvSuper Trustee considers that the current low growth economic environment is likely to persist for some time yet in global investment markets. Therefore a cautious approach to the investment objectives over a longer term horizon is necessary. The investment objectives have been reviewed and adjusted accordingly to ensure they remain in line with market benchmarks and expectations.

The time horizon for each option will now be measured over 10 year periods to provide a consistent approach for simplicity and easier member comparison.

Investment Return Objectives

Investment Option	To 31 January 2017	From 1 February 2017
Mixed options	To achieve a return after tax and fees that exceeds Consumer Price Index (CPI) increases by at least	
Growth (MySuper)	4.5% pa over rolling five and ten year periods	3.5% pa over rolling 10 year periods.
Conservative Growth	1.5% pa over rolling three year periods	1.0% pa over rolling 10 year periods.
Stable Growth	2.5% pa over rolling four year periods	2.0% pa over rolling 10 year periods
Balanced Growth	3.0% pa over rolling four year periods	3.0% pa over rolling 10 year periods.
High Growth Option	5.5% pa over rolling seven year periods	4.5% pa over rolling 10 year periods.
Single class options	To achieve a return after tax and fees that	
Cash	CPI increases by at least 1.0% over rolling three year periods	exceeds UBSA Bank Bill Index over rolling 10 year periods.
Australian Shares Option	CPI increases by at least 6% over rolling seven year periods	exceeds the S&P / ASX 300 Accumulation Index over rolling 10 year periods.
International Shares Option	CPI increases by at least 6% over rolling seven year periods	exceeds the Morgan Stanley Capital International All Country World Index (ex Australia) 50% hedged and 50% unhedged in \$A over rolling 10 year periods.

Strategic Asset Allocations (SAA)

The SAA is a strategic guide and the allocation of assets at any given time can vary from the benchmark, within the allowable ranges. By redefining our SAA, we believe we will be better positioned to maximise returns for members. At the same time, we are changing the names of some of our asset class groupings to provide for clearer disclosure to members of the various investment types used by AvSuper.

SAA effective from 1 February 2017

Asset Class	Growth (MySuper) Option		High Growth Option		Balanced Growth		Stable Growth Option		Conservative Growth Option		Australian Shares Option		International Shares Option		Cash Option	
	Bench-mark	Range	Bench-mark	Range	Bench-mark	Range	Bench-mark	Range	Bench-mark	Range	Bench-mark	Range	Bench-mark	Range	Bench-mark	Range
Australian Shares	30%	20-45%	45%	30-70%	22%	10-35%	15%	5-30%	10%	0-20%	100%	100%	-	-	-	-
International Shares^A	30%	20-45%	45%	30-70%	21%	10-35%	15%	5-30%	10%	0-20%	-	-	100%	100%	-	-
Real Assets¹	18%	0-45%	5%	0-40%	18%	0-35%	17%	0-30%	10%	0-20%	-	-	-	-	-	-
Private Markets²	5%	0-15%	5%	0-25%	5%	0-10%	5%	0-10%	0%	0-10%	-	-	-	-	-	-
Alternatives³	5%	0-30%	-	-	8%	0-35%	8%	0-40%	10%	0-60%	-	-	-	-	-	-
Diversified Fixed Income	10%	0-30%	-	-	14%	0-35%	20%	0-40%	30%	0-60%	-	-	-	-	-	-
Cash	2%	0-15%	-	-	12%	5-25%	20%	5-40%	30%	10-60%	-	-	-	-	100%	100%

1 **Real Assets** was created by joining the infrastructure and property asset classes

2 **Private Markets** refers to investments in domestic and international private equity, credit and other selected opportunities with returns at or above listed growth assets but with lower correlations.

3 Growth and Defensive alternatives have been combined into **Alternatives** which refers to investments with specialist managers and may include assets uncorrelated to any market.

Time to switch?

While changes in our options may inspire you to switch, please consider the long term effects of such changes and remember that switching can crystallise any portfolio losses and may have taxation implications. Our Member Advice Consultants can help you decide the best approach for your situation.

AvSuper investments

AvSuper is committed to providing information so that you can easily understand the Fund's investment arrangements and investment performance. Visit our website to learn from our factsheets (on super and investments) and our investment glossary, or call our Member Advice Consultants for help.

Financial information, details of significant asset holdings, investment earnings and average returns for the previous five years can be found in our Annual Reports.

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Before making a decision about AvSuper, you should consider your own requirements and the relevant Product Disclosure Statement (PDS). For a copy call us or visit the AvSuper website, www.avsuper.com.au. AvSuper Pty Ltd (ABN 46 050 431 797, AFSL 239078) is the Trustee of the AvSuper Fund (ABN 84 421 446 069).