



SASS Member Investment Choice now available for

- ▶ SASS* members
- ▶ Deferred SASS* members

1. What is SASS Member Investment Choice?

SASS member investment choice is a new service which applies to the Personal Account Balance of SASS members and the benefit of Deferred SASS members (except any superannuation guarantee shortfall or the SANCS Basic Benefit). Member investment choice means that you can choose from a range of investment strategies the investment strategy which best suits your personal needs.

Until now, these moneys have been invested as part of the Pooled Fund which has a long term time horizon and a high allocation to shares and property. While this strategy is considered appropriate for the Pooled Fund, it has been recognised that individual members, especially those approaching retirement age, may have shorter investment horizons and may be less comfortable with the high volatility of investment returns that have been encountered in recent years.

The investment choice you are now offered gives you the opportunity to take a more active involvement and match your investment choice to your individual situation.

2. Does Member Investment Choice apply to all of my benefit?

No.

Investment choice only applies to those parts of your SASS benefit which are an *accumulation* benefit (ie. where the benefit is an accumulation of contributions and investment returns less applicable fees).

SASS members: Member investment choice only applies to your Personal Account Balance — and **not** to your Employer Financed Benefit. Depending on the reason for and timing of the payment of your SASS benefit, the employer financed part of your benefit is either based on the balance in your Personal Account Balance or linked to salary. Therefore, it may not be directly affected by investment returns.

Deferred SASS members: Member investment choice applies to **your total** SASS benefits which are currently deferred (see note below).

Note: for both SASS and Deferred SASS members, your lump sum SANCS Basic Benefit and any superannuation guarantee shortfall amounts are additional benefits to which investment choice does not apply.

State Super contacts

Customer Service

SASS members: call 1300 130 095

Mailing address

For Customer Service and Pillar Administration:
PO Box 1229 Wollongong DC NSW 2500

Personal interview service

For an interview appointment in Sydney,
call (02) 9238 5540.

You can also arrange interviews at:

Newcastle (telephone: 1800 807 855)

Parramatta (telephone: 1800 626 000)

Port Macquarie (telephone: 1800 676 839)

Wollongong (telephone: 1800 060 166)

Web

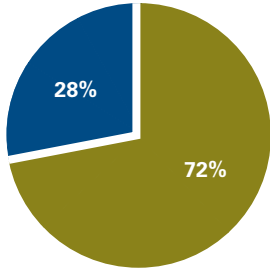
www.statesuper.nsw.gov.au

3. What investment choices are available?

The Strategic Asset Allocation (SAA) below shows the percentage of growth assets* and income producing assets# for each investment strategy. The proportions allocated to growth and income producing assets for each strategy will remain within a margin of + or -5% of the percentages shown. However, the allocation to the asset sectors that make up these broader categories may change. See the target sector allocation charts below for the current composition.

There are 4 investment strategies to choose from:

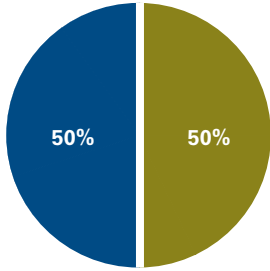
Strategic Asset Allocation



Growth

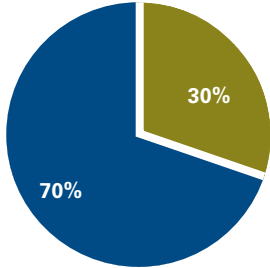
This is the existing investment strategy used by the Pooled Fund. This will be the investment strategy in which your accumulation benefit is invested unless you actively select another investment strategy.

- Appropriate for members with a long term investment horizon (10+ years) and a high tolerance to market volatility (ie. capital value and returns may go up and down both significantly and frequently).
- Target return: 3.75% pa. above inflation over 10 year periods.
- Likelihood of a negative annual return: 1 in 4 years.



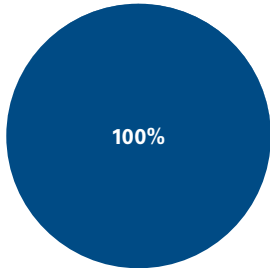
Balanced

- Appropriate for members who are looking for real growth with a medium term investment horizon (5-7 years).
- Target return: 3.00% pa. above inflation over 7 year periods.
- Likelihood of a negative annual return: 1 in 6 years.



Conservative Growth

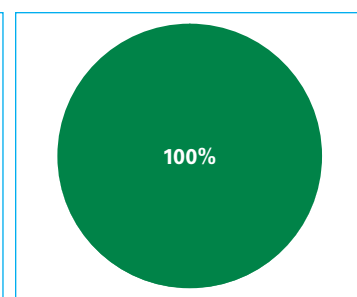
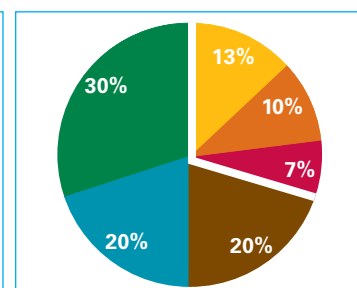
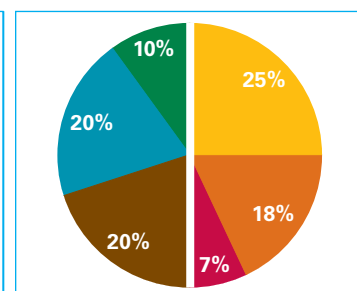
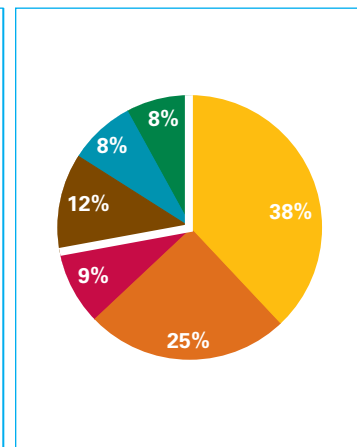
- Appropriate for members with a short term investment horizon (3-5 years) and a preference for security.
- Target return: 2.00% pa. above inflation over 4 year periods.
- Likelihood of a negative annual return: 1 in 9 years.



Cash

- Members with a very short term investment horizon (up to 3 years).
- Target return: 1.50% pa. above inflation over 3 year periods.
- Likelihood of a negative annual return: N/A.

Target Sector Allocation



Note: Negative annual returns may occur in consecutive years. The above indicative likelihood of negative returns has been determined over a number of years.

LEGEND

■ * Growth assets: eg, shares and property.

■ # Income producing assets: eg, cash deposits and fixed interest securities.

LEGEND

- Australian Shares
- International Shares
- Property
- Australian Fixed Interest
- International Fixed Interest
- Cash

4. Which investment strategy is right for me?

Issues that you may consider in making an investment choice may include:

- ▶ **Your investment timeframe.**
- ▶ **How comfortable you feel with the possibility of investment capital values and returns going up and down.**
- ▶ **Where you have invested your non-superannuation savings.**

If you have doubts as to which strategy best suits your needs you should consider seeking independent professional investment advice.

5. What happens if I don't make an investment choice?

Member investment choice is up to you. If you do not wish to make a choice, then that part of your benefit where investment choice applies (see point 2) will remain invested in the Growth investment strategy (the current investment strategy for the Pooled Fund).

Do I need to do anything?

No, unless you wish to make an investment choice (see point 6).

6. What do I do if I wish to make an investment choice?

Once you have chosen the investment strategy that best suits your personal situation, complete the enclosed *Choice of Investment Strategy* form and post it to Pillar Administration, the scheme administrator. You do **not** have to complete and send this form back unless you wish to make an investment choice.

Instructions to switch investment strategy received by email or over the telephone cannot be accepted.

If you wish to obtain additional switch forms, either contact Customer Service or obtain a copy from the web site, www.statesuper.nsw.gov.au

7. What rules apply to switching between investment strategies?

Do I have to switch?

No.

Switching is simply an option that is now available to you.

How often may I switch?

You may switch between investment strategies no more frequently than **once a month**.

Once you have sent the form requesting an investment switch, it cannot be revoked (cancelled) and therefore will be implemented. You may change your choice again after 1 month.

When does the switch become effective?

If your *Choice of Investment Strategy* form is received by the scheme administrator on or before the 25th of a month, the switch will be made at the close of business on the last day of that month, meaning that the new strategy will apply from the first day of the following month. If the advice is received by the administrator after the 25th of a month, it will not be processed until the last day of the following month.

Example: If the administrator receives a switch form on 15 December, the investment strategy will be switched on 31 December. But if the form is received on 27 December, the switch in investment strategy will be made on 31 January.

Do fees apply to switches?

The first switch in each financial year is free of charge. For every additional switch made within a financial year, a fee of \$25 will be charged for each switch.

Can I choose more than one investment strategy at the same time?

No.

You are not able to mix the investment strategies. If you elect to make a switch, the investment strategy you choose will apply to all of those parts of your benefit outlined in point 2 above.

8. What happens when I defer my SASS benefit?

While you are an active member (ie. contributing) of SASS, your SASS benefit is made up of 2 parts:

- (a) Your Personal Account Balance — which is affected by investment returns. You now have investment choice on this part of your benefit.

(b) Your Employer Financed Benefit (EFB) — depending on the reason for and timing of the payment of your SASS benefit, your EFB is either based on the amount of your Personal Account Balance or linked to your contribution rate as well as your Final Average Salary at the time of payment. Member investment choice is **not** available on this part of your benefit while you are an active member. This is because this part of your benefit may not be directly affected by investment returns.

On exiting SASS before your normal retirement age, you may elect to defer your benefit. If you do elect to defer your benefit, the total deferred benefit consists of your Personal Account Balance and an employer benefit.

The amount of your total deferred benefit is calculated as at your exit date (the date advised to SASS by your employer). From then on, the entire benefit comprising your Personal Account Balance and the Employer Financed Benefit will earn the investment return of the investment strategy which had previously only applied to your Personal Account Balance. Member investment choice is available to your whole deferred benefit from this point (see note below).

Note: your lump sum SANCS Basic Benefit and any superannuation guarantee shortfall amount are additional benefits to which investment choice does not apply.

9. What happens when I apply to be paid a benefit?

If you leave your employer and elect to be paid a benefit immediately rather than defer it, there is usually a short delay between the date of your exit from employment and the actual date of payment of your benefit. In this situation your total benefit is calculated as at the date of exit from employment. From that time until the payment date, the entire benefit — comprising your Personal Account Balance, the SASS Employer Financed Benefit, the SANCS Basic Benefit and any superannuation guarantee shortfall amount — will earn the investment return of the investment strategy that applied to your Personal Account Balance prior to your employment exit. That is, member investment choice will be applied to all the parts of your benefit for that short period of time.

10. What annual administration fees are payable?

The current administration fee for all SASS and SASS deferred members is currently \$40 each member each year. As from 1 January 2004, this administration fee will increase from \$40 to \$45 each member each year. This increased fee will be deducted from your account, proportionately each month, as from January 2004 whether or not you make an investment choice.

An additional annual fee of \$20 will continue to apply to deferred SASS members if they also have a deferred SANCS account.

These fees are deducted monthly from your account.

11. How do I find out the latest investment returns?

As the Balanced, Conservative Growth and Cash investment strategies are new strategies, there is no history of investment performance. However, over time, crediting rates for the four investment strategies will be available:

- ▶ on the web site at www.statesuper.nsw.gov.au under *Investment Performance*, or
- ▶ by contacting Customer Service on 1300 130 095 (SASS members) or 1300 130 094 (Deferred SASS members).

12. What other information is available?

Fact Sheet

Choosing an Investment Strategy, SASS fact sheet 15 on the web or contact Customer Service for a copy.

Annual Statement

From now on, your annual statement will show the investment strategy applying to that part of your benefit as outlined in point 2 above.

The SAS Trustee Corporation (STC) has taken reasonable care in producing the general information contained in this brochure and nothing in it is to be regarded as professional advice. To the extent permitted by law, STC, its directors and employees do not warrant the accuracy, reliability or completeness of the information and exclude liability for any decision taken on the basis of information contained in or omitted from this brochure. Members should seek their own independent professional advice before making decisions which may affect their future. STC cannot guarantee any particular rate of return and past investment performance is not a reliable guide to future investment performance.

Choice of Investment Strategy

Notes to members

SASS member investment choice applies to the Personal Account Balance of SASS members and the entire benefit of Deferred SASS members. Investment choice is an option available to you.

Note: The Basic Benefit and any superannuation guarantee shortfall amounts are additional benefits to which investment choice does not apply.

Information regarding SASS Member Investment Choice, including explanations of investment strategies, is detailed in SASS Fact Sheet 15 — *Choosing an Investment Strategy*. You should read the Fact Sheet before completing this form. To obtain the Fact Sheet, either contact Customer Service on 1300 130 095 or print off a copy from our web site, www.statesuper.nsw.gov.au

1 Your personal details

Type of SASS membership *(mark one box only)*

- SASS contributor
 Deferred SASS member

Title *(eg Mr Mrs Ms Miss Dr)*

Birth date

DD	/	MM	/	YY
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Family name

Given name/s

Postal address *(please include postcode)*

Suburb, Town City

Postcode

Daytime contact telephone number

Email address

Name of employer

Superannuation number

Payroll number

2 Your investment strategy

Rules that apply to switching between strategies

- You may switch between investment strategies no more frequently than once a month.
- If your election to switch form is received by the administrator on or before the 25th of a month, the switch will be made at the close of business on the last day of that month, meaning that the new strategy will apply from the first day of the following month. If the form is received by the administrator after the 25th of a month, it will not be processed until the last day of the following month.
- Once you have sent the form requesting an investment switch, that election cannot be revoked and will be processed. You can, however, choose to switch again in any subsequent month.
- The first switch in each financial year is free of charge. For every additional switch made within a financial year, a fee of \$25 will be charged.

In which strategy do you want your superannuation account to be invested?

(mark one box only)

- Growth
 Balanced
 Conservative Growth
 Cash

How did you make this choice of investment strategy for your superannuation account?

(mark one or more boxes)

- I had a telephone conversation, group presentation or personal interview where I was given facts about investment strategies, but no recommendation was made to me.
- I read the investment strategy literature issued by the scheme.
- I based my choice on my own understanding of the investment strategies.

3 Please sign here

I have read and understand SASS Fact Sheet 15 — *Choosing an Investment Strategy* and I am fully aware of the implications of any choice I have made on this form.

I understand that any investment strategy I have chosen here will cancel any choice I made previously.

Signature

Date

DD	MM	YY
/	/	

Your privacy

The information you provide in this form is collected by and held for State Super by the fund administrator, Pillar Administration, in accordance with the *Privacy and Personal Information Protection Act 1998*, under which you have rights of access and correction. For further information about privacy, contact Pillar Administration by writing to PO Box 1229, Wollongong DC NSW 2500

Mail this completed form to:

State Super

PO Box 1229

Wollongong DC NSW 2500

(or take it to Level 18, 83 Clarence Street Sydney)