

Changes to the Balanced Socially responsible investment option

legalsuper is committed to helping you grow and protect your super savings over the long term. With this in mind, the Trustee of legalsuper has made some changes to the Balanced Socially responsible investment option.

The changes are outlined in this Significant Event Notice (SEN).

CHANGES TO THE BALANCED SOCIALLY RESPONSIBLE INVESTMENT OPTION RELATE TO:

1. Fossil fuel exclusion threshold
2. Risk level changes
3. Investment option cost changes
4. Change of name

It's important to read this SEN carefully, to understand what has changed and how the changes may affect you.

1. Lower fossil fuel exclusion threshold

The Balanced Socially responsible investment option actively avoids investing in industries that negatively impact our world such as fossil fuels, tobacco, nuclear power, armaments, gambling, alcohol and pornography. Previously, if a company received more than 20% of profits from fossil fuels, it would be excluded from investment. This exclusion has now tightened; if any company receives more than 10% of its profits from fossil fuels, it will be excluded from investment. Lowering the exclusion threshold means that the Balanced Socially responsible option will be invested in fewer mining, energy and oil-sands companies globally.

2. Risk level changes – 18 July 2019

The long-term risk level for the Balanced Socially responsible option has changed from Medium-High to High. The likelihood of negative returns in a 20-year period has increased from 3-4 years, to 4-6 years.

3. Investment cost increases

Investment costs are estimates and change from time to time.

INVESTMENT COST	FY 2018	FY 2019
Indirect Cost Ratio (ICR)	0.30%	0.40%
Buy-sell spread	0.22%	0.30%

INDIRECT COST RATIO (ICR)

- The ICR is an estimate of the indirect costs of investing, it covers the costs associated with maintaining an investment portfolio. The ICR is not charged directly; it is reflected in the calculations of the daily unit prices of each investment option.

BUY-SELL SPREAD

- This Buy-sell spread is a fee which is applied when you buy units or sell units within an investment option. This happens when a contribution is made to your account, you withdraw your super or change your investment option/s. This is not charged directly; it is reflected in the unit price when units are bought and sold in the different investment options.

4. Change of name

The Balanced Socially Responsible option currently invests through the *AMP Capital Responsible Investment Leaders Balanced Fund (RIL Fund)*. This is a multi-manager fund operated by AMP Capital that considers environmental, social and governance (ESG) factors when making investment decisions. The name of this fund is changing to *AMP Capital Ethical Leaders Balanced Fund (ELB Fund)*. legalsuper will continue to refer to this investment as the *Balanced Socially responsible* investment option.

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For more information about your legalsuper account, or how these changes may affect you, please contact us.

This information is of a general nature only and does not take into account your objectives, financial situation or needs. You should therefore consider the appropriateness of the information and obtain and read the relevant legalsuper Product Disclosure Statement before making any decision. Legal Super Pty Ltd ABN 37 004 455 789, AFSL 246315 is the Trustee of legalsuper ABN 60 346 078 879.