

The information in this fact sheet is directed at all members of ESI Super who have investment choice. It is mainly intended for members who are considering a change to their investment options.

ESI Super has prepared this fact sheet to help you understand how ESI Super processes your change of investment choice request.

Changing your investment options

Superannuation investments are generally considered to be part of a long term wealth creation strategy. ESI Super gives you a facility to switch (change) how your super is invested depending on your changing financial objectives.

Who has investment choice in ESI Super?

Defined Contribution, Spouse, Retained and Pension members all have investment choice. If you are a Defined Benefit member, your benefits are invested by the Trustee so you do not choose how they are invested. You do, however, have investment choice for any additional contributions or rollovers you have in ESI Super. Insurance Only members don't have investment choice.

What are the unrestricted investment options in ESI Super?

Cash Deposit, Cash Enhanced, Stable, Capital Managed, Balanced, SRI Balanced, Growth, Australian Shares and International Shares. For more information about each of these investment options, refer to the *ESI Super Member Guide*.

Can I change my investment choice at any time?

Yes, if you have choice of investment, you can switch at any time. Your first switch in a financial year is free of charge. Any additional switches in that financial year will cost you \$25 each time you elect to change your investment choice.

How do I change my investment options?

You need to complete a *Change of investment choice* form which can be found on our website, esisuper.com.au, under Publications/Forms and send it in to ESI Super. The switch will apply to all current and future monies in your superannuation account at the date your form is received by ESI Super. Investment switches will generally be processed within five working days after we receive the form. If you are registered for online access, you can view your investment options and account balance online. When you log on, you need to go to the 'payment advice' drop down and run a quote. The Member Online Access shows the balance amount in each of your investment option(s).

What happens when I switch?

When you submit a *Change of investment choice* form to ESI Super we date stamp and check it for completeness. ESI Super cannot process your switch if the form is incomplete, unsigned or contains errors. The crediting rate (for superannuation members) or unit price (for pension members) is applicable on the day you completed form is received. If ESI Super receives the form after 5pm, the crediting rate or unit price applicable on the next business day will apply to your switch.

It generally takes 3-5 days for the unit prices and crediting rates to be calculated and provided to ESI Super before your investment switch can be completed. ESI Super must also wait for all contributions received as at the date of your switch to be allocated to your member account before the switch is processed.

Please note: If you do not complete all sections of your *Change of investment choice* form, we will return it to you to complete.

After we have processed your switch – We will send you a confirmation letter advising you of the date your switch occurred and your new investment choice nominations. If you are registered for online access, you can view your investment options and account balance online. When you log on, you need to go to the 'payment advice' drop down and run a quote. The Member Online Access shows the balance amount in each of your investment option(s).

How are investment earnings applied to my super?

Accumulation members

Most members of ESI Super are Defined Contribution, Retained or Spouse members and have access to member investment choice. If you are in one of these member categories, your investment earnings are calculated daily and credited to your account as a positive or negative percentage return on your investment. While unit pricing does not apply to your investment options, a valuation factor underlies the method of applying crediting rates to your options. A net effective earning rate (investment earnings less tax and other management costs) is calculated for each investment option and is the basis for setting the crediting rate. The exceptions

to the above mentioned crediting are the Defined Benefit pool, the Smoothed Return option and the Capital Guarantee option. For these options the crediting rates are calculated according to the Trustee's rules for crediting the appropriate earnings to these investments. For more information on how the investment earnings are applied to all investment options, please refer to the latest *ESI Super Annual Report*.

Pension members

Pension accounts are unitised so investment growth is allocated in a different way to the crediting rates described above. Rather than applying a crediting rate to your account, net investment earnings are allocated to your account through increases and decreases in the daily unit price for each investment option you have selected.

The unit prices applicable to your investment options change in line with the ups and downs of the financial market in a similar way to share prices on the stock exchange. The value of your investment is equal to the number of units you own multiplied by the unit price. Management costs are deducted at the time of calculating the daily unit price. Unit prices are published weekly on the web at esisuper.com.au

What if I have the Smoothed Return or Capital Guarantee option or I'm a Defined Benefit (DB) member?

If you have money invested in the **Smoothed Return** option, you can transfer money out, but you cannot choose to transfer back to the Smoothed Return option at any stage. The Smoothed Return option is made available to some employees of employers in agreement with the Trustee. The only contributions from these employers that can be invested in this option are member regular before and after-tax and employer contributions.

If you leave your employer, your Smoothed Return amount will be transferred into other investment options of your choice. If you haven't provided us with an alternative investment choice when the transfer occurs, your Smoothed Return amount will be invested in the Balanced option.

If you are in the **Capital Guarantee** option, you can transfer your funds out of this option any time, but you cannot transfer your money back to this option at a later date. The Capital Guarantee option is closed to new members.

If you are a **Defined Benefit** member leaving an employer who sponsors (supports) the Smoothed Return or Capital Guaranteed options, your money will be switched according to your investment choice. If you do not have an investment choice, your money will be switched to the Cash Enhanced option.

What if I'm a DB member transferring to the Defined Contribution or Retained section of the Fund?

As a DB member you don't have an investment choice for your accumulated Defined Benefit. If you exit DB to join the Defined Contribution or Retained section of the Fund, you will have investment choice and can change your choice of investment at any time.

When you transfer, there are three possible scenarios for how your DB super is invested when you exit the DB section of the Fund:

1. If you don't have any other money invested in ESI Super (no investment choice selected in your accumulation account), and you do not submit a *Change of investment choice* form, your super will be invested in the Cash Enhanced investment option.
2. If you have previously made additional voluntary contributions, and therefore have an investment choice selected in your accumulation account, ESI Super will allocate your transferring defined benefit amount into your selected investment option.
3. If you complete a *Change of investment choice* form as part of your preparations to exit the DB section of the Fund, you can choose any one or more available investment options for your transferring defined benefit money.

For more information about transferring out of DB, please refer to the *Defined Benefit Handbook* or call one of our friendly staff at ESI Super.

Do you want more information?

If you would like more information about changing your investment options or any other issue relating to super, please call ESI Super's helpline on 1300 363 240 and talk to one of our friendly super staff.

How to contact us

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