

10 October 2024

Product Disclosure Changes - Super and Pension

Significant Event Notice – Product Update for Australian Ethical Superannuation and Pension

We’re letting you know that we’ve made changes to our product. We’ve updated our Product Disclosure Statement (PDS) available on our website including the Additional Information Booklets (AIBs) and Insurance Guides which also form part of the PDS. You can find these documents at australianethical.com.au/super/pds-forms/

The changes include:

- Updates to our fees and costs.
- Changes to asset allocations.
- Change of administrator
- Change of custodian

We’ve provided the details of the changes made below.

Changes to fees and costs

We’ve reviewed the fees and costs associated with our investments and have made the changes described below effective 1 October 2024 unless indicated otherwise. We report our investment performance after fees, and you can see a breakdown of all the fees and costs incurred in your Annual Statement.

- **Reduced Investment fees and costs**

Investment fees are accrued daily and paid from the Fund’s assets. Fees are calculated as a percentage of the daily net asset value of each option. The investment fee you pay will depend on the investment options you are invested in.

Australian Ethical Investment option	Product	Change
Conservative	Superannuation	Prev: 0.69% New: 0.68%
Conservative	Pension	Prev: 0.70% New: 0.69%
Growth	Superannuation	Prev: 1.07% New: 0.99%
Growth	Pension	Prev: 1.06% New: 0.98%
High Growth	Superannuation	Prev: 1.12% New: 1.03%

Please refer to Section 5: Fees and costs of the Super AIB and Pension AIB for more information.

- **Indirect costs**

Indirect costs form part of investment fees and costs and include fees and expenses arising from any investment which qualifies as an interposed vehicle and certain 'over-the-counter' derivatives costs. They are calculated each year based on the previous 12 months, and represent the approximate amounts deducted from your investment to cover amounts that have reduced the return on your investment but are not charged as a fee. This includes costs associated with external asset managers. We have reviewed our indirect costs estimate for the last financial year and have tabled any changes to estimated indirect costs based on data as at 30 June 2024 below.

Australian Ethical Investment Option	Product	Change
Conservative	Superannuation	Prev: 0.13% New: 0.14%
Conservative	Pension	Prev: 0.14% New: 0.15%
Balanced (Pension)	Pension	Prev: 0.12% New: 0.13%
Growth	Superannuation	Prev: 0.17% New: 0.15%
Growth	Pension	Prev: 0.15% New: 0.14%
High Growth	Superannuation	Prev: 0.16% New: 0.12%

Please refer to Section 5: Fees and costs of the Super AIB and Pension AIB for more information.

- **Performance fee**

The performance fee form part of investment fees and costs of the relevant investment option.

The estimated performance fees have been calculated by using the performance fees paid or using performance fee information provided to us by an investment manager of an underlying fund.

Australian Ethical Investment Option	Product	Change
Conservative	Superannuation	Prev: 0.01% New: 0.00%
Conservative	Pension	Prev: 0.01% New: 0.00%
Growth	Pension	Prev: 0.02% New 0.01%
High Growth	Superannuation	Prev: 0.02% New 0.01%

Please refer to Section 5: Fees and costs of the Super AIB and Pension AIB for more information.

- **Net Transaction Costs**

Transactional costs are calculated at 30 June each year based on the previous 12 months. Transaction costs are taxes, duties and other costs (such as brokerage) including transaction costs from interposed vehicles. Transaction

costs in the fees and costs shown in the fees and costs summary are net of any amount recovered by the buy-sell spread.

Australian Ethical Investment Option	Product	Change
Growth	Superannuation	Prev: 0.00% New: 0.05%
Growth	Pension	Prev: 0.00% New: 0.02%
High Growth	Superannuation	Prev: 0.02% New: 0.03%
International Shares	Superannuation	Prev: 0.00% New: 0.01%
International Shares	Pension	Prev: 0.00% New: 0.01%

Please refer to Section 5: Fees and costs of the Super AIB and Pension AIB for more information.

- **Buy/Sell Spread**

The Buy/Sell spread is a fee to recover transaction costs incurred in relation to the purchase and sale of the assets of an investment option and is used to adjust the unit price. It is an additional cost to you and is incurred when you buy or sell a unit. We will use a Buy/Sell spread to recover transaction costs from you so that other members are not paying for the cost of your transaction. It is not a fee paid to us.

Australian Ethical Investment Option	Product	Change
Balanced (pension)	Pension	Prev: 0.10%/0.10% New: 0.05%/0.05%
Growth	Superannuation	Prev: 0.10%/0.10% New: 0.15%/0.15%

Please refer to Section 5: Fees and costs of the Super AIB and Pension AIB for more information.

Changes to asset allocation ranges

An asset allocation range is the disclosed range that each option generally holds investments within a specific asset class. Following a comprehensive review of the investment strategies of our investment options, we've made changes to the asset allocation ranges effective 1 October 2024. These changes aim at improving investment outcomes for members by increasing our ability to meet the investment objective for each option. We have also included the target asset allocation for all Super and Pension options, which is available in the AIB. You can find these documents at australianethical.com.au/super/pds-forms/

Change of Administrator

We recently announced that we had selected a new superannuation administration provider, GROW Technology Services Ltd (**Grow**), to enhance our member portal and the services we provide to our superannuation members. Our administration provider supports Australian Ethical Super and our members in processing super and pension transactions and providing a member portal that gives you access to correspondence, statements and allows you to update your contact details. We are currently moving our member accounts previously administered by Mercer Outsourcing (Australia) Pty Ltd, to Grow, with the change of administrator being effective 4 November 2024. You can find out more about our transition to GROW here: australianethical.com.au/super/admin-transition/

As a result, from this date, all references to "Mercer Outsourcing (Australia) Pty Ltd (Mercer)" in the Fund's PDSs are replaced with "Grow Technology Services Ltd (Grow)."

Change to Custodian

Effective 1 November 2024, State Street Australia Limited (ABN 21 002 965 200), will replace National Australian Bank Limited ABN 12 004 044 937 (NAB) as custodian of the Fund assets.

As a result, from this date, all references to "National Australian Bank Limited (NAB)" in the Funds' PDSs are replaced with "State Street Australia Limited (State Street)."

Here to help

If you have questions about these changes, please call us on 1800 021 227, Monday to Friday 8:30am to 5:30pm AEST.