



# Significant event notice

30 June 2023

## Information about changes to the MilitarySuper Product Disclosure Statement (PDS)

### Tell me quickly

There has recently been some minor changes to the MilitarySuper Product Disclosure Statement (PDS). This significant event notice documents each such change made in FY 2022-23.

Specifically, the indirect fee costs, risk profiles and target asset allocations have been updated for the Income Focused

and Balanced investment options, further detail below. The indirect fee costs have also been updated for the Aggressive and Cash investment options.

We're here to guide you

Email [members.adf@contact.csc.gov.au](mailto:members.adf@contact.csc.gov.au) or call 1300 006 727.

## Changes to the MilitarySuper Product Disclosure Statement (PDS)

Changes have been made to the 'Balanced' investment option disclosure on page 5 of the [MilitarySuper PDS](#) as follows (all changes highlighted in red):

Change	As at 30 June 2022	As at 30 June 2023
<b>Balanced – the default investment option</b>		
<b>Risk rating</b>	This investment option is intended for those investors prepared to take more risk in exchange for potentially higher returns on their investment over the medium-to-long term. The minimum suggested timeframe for holding this option is 10 years. With a <b>medium-to-high risk rating (band five)</b> , it is estimated that the option will have a negative return (i.e. will lose value) in <b>three to four</b> years over any 20 year period.	This investment option is intended for those investors prepared to take more risk in exchange for potentially higher returns on their investment over the medium-to-long term. The minimum suggested timeframe for holding this option is 10 years. With a <b>high risk rating (Band 6)</b> , it is estimated that the option will have a negative return (i.e. will lose value) in <b>four to less than six</b> years over any 20 year period.

Changes have been made to the 'Fees and costs' section on pages 5-6 of the [MilitarySuper PDS](#) as follows (all changes highlighted in red):

## 6. Fees and costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20%



Military Superannuation & Benefits Scheme

Military Superannuation and Benefits Scheme (MilitarySuper, or the Fund, ABN 50 925 523 120, RSE: R1000306) is a superannuation fund for current and former Australian Defence Force members. MilitarySuper is issued by Commonwealth Superannuation Corporation (CSC, we or us, ABN 48 882 817 243, AFSL 238069, RSEL L0001397).

over a 30-year period (for example, reduce it from \$100 000 to \$80 000)\*.

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees\*\*. Ask the fund or your financial adviser.

### To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options\*\*\*.

\* We are required by law to provide you with this information. MilitarySuper members should note that this is only relevant for the member and ancillary benefit of your MilitarySuper benefit. For DFRDB members with ancillary benefits held in MilitarySuper, this information is only relevant to your ancillary benefit.

\*\* We are required by law to provide you with this information, however lower fees cannot be negotiated with CSC.

\*\*\* The calculator on the ASIC website can be used to calculate the effect of fees and costs on account balances.

You should read the important information about fees and costs before making a decision. Go to the [Fees and costs](#) booklet available at [csc.gov.au](http://csc.gov.au). The material relating to fees and costs may change between the time when you read this Statement and the day when you acquire the product.

## Fees and Costs Summary

The main fees that apply to the MilitarySuper Balanced are listed below. The information in this table can be used to compare our fees with similar funds.

MilitarySuper Balanced		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
Administration fees and costs	Nil	As a MilitarySuper member you do not pay any administration, switching or any other ongoing administration fees as the Department of Defence meets all administration costs.
Investment fees and costs <sup>2</sup>	0.76% (est.)	<ul style="list-style-type: none"> <li>Not deducted directly from your account.</li> <li>Paid from or reduces the amount of investment returns or assets related to each investment option.</li> <li>Reflected in the unit price of each investment option, which is published each business day.</li> </ul>
Transaction costs	0.14% (est.)	<ul style="list-style-type: none"> <li>Not deducted directly from your account.</li> <li>Paid from or reduces the amount of investment returns or assets related to each investment option.</li> <li>Reflected in the unit price of each investment option, which is published each business day.</li> </ul>
<b>Member activity related fees and costs</b>		
Buy–sell spread	Nil	
Switching fee	Nil	
<b>Other fees and costs</b>		
Advice fees – ‘fee for service’ advice <sup>3</sup>	Varies. The fee amount may be negotiated with your adviser before you take up the advice.	<ul style="list-style-type: none"> <li>Paid directly by you. We don’t deduct advice fees from your MilitarySuper account.</li> <li>If you’d like ‘fee for service’ (comprehensive) advice from a CSC authorised financial planner*, you’ll receive an obligation-free quote to help you decide if you’d like to go ahead.</li> </ul>

<sup>1</sup> If your account balance for a product offered by the superannuation entity is less than \$6 000 at the end of the entity’s income year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

<sup>2</sup> Investment fees and costs include an amount of 0.26% for performance fees. The calculation basis for this amount is set out under 'Additional Explanation of Fees and Costs' in the [Fees and costs booklet](#) available on our website

<sup>3</sup> You may pay 'fee for service' fees to a financial advisor if you consult one. Refer to the Statement of Advice from your financial adviser for details of these fees. For more information about advice fees that you may choose to pay, see the 'Additional explanation of fees and costs' section of the Fees and other costs booklet.

\* Our authorised financial planners are authorised to provide advice by Guideway Financial Services (ABN 46 156 498 538, AFSL 420367). Guideway is a licensed financial services business providing CSC financial planners with support to provide customers with specialist advice, education and strategies.

All fees and costs in this section are inclusive of GST less any reduced input tax credits the fund may be entitled to.

## Changes to fees and costs

We may change fees and costs from time to time. We will let you know of any fee change that we believe will materially affect you, at least 30 days before the change takes effect. Fees and costs can be changed without a member's consent.

## Example of annual fees and costs for a superannuation product

This table gives an example of how the ongoing annual fees and costs for the Balanced option for this superannuation product can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

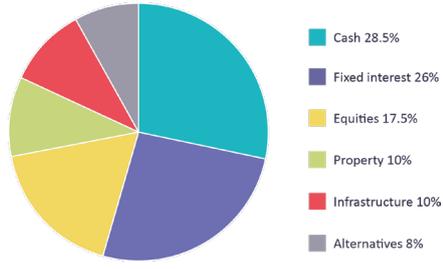
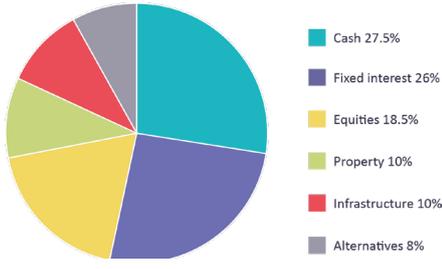
Example – Default Fund		Balance of \$50,000
Administration fees and costs	\$0	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment \$0 in administration fees and costs.
PLUS investment fees and costs	0.76% (est.)	And, you will be charged or have deducted from your investment \$380 in investment fees and costs.
PLUS transaction costs	0.14% (est.)	And, you will be charged or have deducted from your investment \$70 in transaction costs.
<b>EQUALS cost of product</b>		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of \$450 for the superannuation product.

Additional fees may apply. This example is illustrative only.

You should read the important information about Fees and costs before making a decision. Go to the [Fees and other costs booklet](#) available at [csc.gov.au](http://csc.gov.au). The material relating to Fees and costs may change between the time when you read this Statement and the day when you acquire the product.

# Changes to the MilitarySuper Investment options and risks booklet

Changes have been made to the 'MilitarySuper Investment options' information on page 10 of the [MilitarySuper Investment options and risks](#) booklet follows (all changes highlighted in red):

Change	As at 30 June 2022	As at 30 June 2023
<b>Income Focused investment option</b>		
<b>Risk profile</b>	With a <b>low-to-medium risk rating (band three)</b> , it is estimated that the option will have a negative return (i.e. will lose value) in <b>one to two</b> years over any 20 year period.	The Income Focused option has a <b>medium risk rating (Band 4)</b> under the Standard Risk Measure (see page 13), and we estimate that your investment may lose value (have a negative investment return) in <b>two to less than three</b> years over any 20 year period.
<b>Target asset allocation</b>	 <ul style="list-style-type: none"> <li>Cash 28.5%</li> <li>Fixed interest 26%</li> <li>Equities 17.5%</li> <li>Property 10%</li> <li>Infrastructure 10%</li> <li>Alternatives 8%</li> </ul>	 <ul style="list-style-type: none"> <li>Cash 27.5%</li> <li>Fixed interest 26%</li> <li>Equities 18.5%</li> <li>Property 10%</li> <li>Infrastructure 10%</li> <li>Alternatives 8%</li> </ul>
<b>Balanced – the default investment option</b>		
<b>Risk profile</b>	With a <b>medium-to-high risk rating (band five)</b> , it is estimated that the option will have a negative return (i.e. will lose value) in <b>three to four</b> years over any 20 year period.	The Balanced option has a <b>high risk rating (Band 6)</b> under the Standard Risk Measure (see page 13), and we estimate that your investment may lose value (have a negative investment return) in <b>four to less than six</b> years over any 20-year period.

# Changes to the MilitarySuper Fees and other costs booklet

Changes have been made to the 'Fees and other costs' information on pages 2-4 of the [MilitarySuper Fees and other costs](#) booklet as follows (all changes highlighted in red):

## Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100 000 to \$80 000\*).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees.\*\* Ask the fund or your financial adviser.

## To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.\*\*\*

\* We are required by law to provide you with this information. MilitarySuper members should note that this is only relevant for the accumulation component of your MilitarySuper benefit, your member benefit and ancillary benefit. For DFRDB members with ancillary contributions held in MilitarySuper, this information is only relevant to your ancillary benefits.

\*\* We are required by law to provide you with this information, however, lower fees cannot be negotiated with the Fund.

\*\*\* The calculator on the ASIC website can be used to calculate the effect of fees and costs on account balances.

## Fees and other costs

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole.

Other fees, such as activity fees, advice fees for personal advice, may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry fees and exit fees cannot be charged.

Taxes are set out in the [Tax and your MilitarySuper booklet](#).

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

The fees and other costs for each investment option offered by the entity, are set out on page 3.

Our four investment options—Cash, Income Focused, Balanced and Aggressive—aim to achieve the returns that will fund a comfortable retirement for you. The investment option your MilitarySuper balance is invested in determines some of the fees and costs that are chargeable.

The main fees to manage your account are provided below for each investment option. You can use these to compare our fees with similar funds.

### Fees and Costs Summary

Military Superannuation & Benefits Scheme (MilitarySuper)			
Type of fee or cost	Amount	How and when paid	
<b>Ongoing annual fees and costs<sup>1</sup></b>			
<b>Administration fees and costs</b>	Nil	As a member of MilitarySuper you do not pay any administration, switching, exit or any other ongoing administration fees as the Department of Defence meets all administration costs.	
<b>Investment fees and costs<sup>2</sup></b>	Investment Option	% per Annum (est.)	<ul style="list-style-type: none"> <li>Not deducted directly from your account.</li> <li>Paid from or reduces the amount of investment returns or assets related to each investment option.</li> <li>Reflected in the unit price of each investment option, which is published each business day.</li> </ul>
	Cash	0.07%	
	Income Focused	0.52%	
	Balance	0.76%	
	Aggressive	0.80%	
<b>Transaction costs</b>	Investment Option	% per Annum (est.)	<ul style="list-style-type: none"> <li>Not deducted directly from your account.</li> <li>Paid from or reduces the amount of investment returns or assets related to each investment option.</li> <li>Reflected in the unit price of each investment option, which is published each business day.</li> </ul>
	Cash	0.00%	
	Income Focused	0.13%	
	Balance	0.14%	
	Aggressive	0.16%	
<b>Member activity related fees and costs</b>			
<b>Buy–sell spread</b>	Nil		
<b>Switching fee</b>	Nil		
<b>Other fees and costs</b>			
<b>Advice fees – ‘fee for service’ advice<sup>3</sup></b>	Varies. The fee amount may be negotiated with your adviser before you take up the advice.	<ul style="list-style-type: none"> <li>Paid directly by you. We don’t deduct advice fees from your MilitarySuper account.</li> <li>If you’d like ‘fee for service’ (comprehensive) advice from a CSC authorised financial planner*, you’ll receive an obligation-free quote to help you decide if you’d like to go ahead.</li> </ul>	

<sup>1</sup> If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

<sup>2</sup> The Investment fees and costs include an amount of 0-0.26% for performance fees. The calculation basis for this amount is set out under 'Additional Explanation of Fees and Costs'.

<sup>3</sup> You may pay 'fee for service' fees to a financial adviser if you consult one. Refer to the Statement of Advice from your financial adviser for details of these fees. For more information about advice fees that you may choose to pay, see the 'Additional explanation of fees and costs' section on page 5.

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## Example of annual fees and costs for a superannuation product

This table gives an example of how the ongoing annual fees and costs for the Balanced option for this superannuation product can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

Example – Default Fund		Balance of \$50,000
Administration fees and costs	\$0	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment \$0 in administration fees and costs
PLUS investment fees and costs	0.76% (est.)	And, you will be charged or have deducted from your investment \$380 in investment fees and costs
PLUS transaction costs	0.14% (est.)	And, you will be charged or have deducted from your investment \$70 in transaction costs
<b>EQUALS cost of product</b>		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of \$450 for the superannuation product.

Additional fees may apply. This example is illustrative only.

## Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a 1 year period for all superannuation products and investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product information assumes a balance of \$50,000 at the beginning of the year. (Additional fees such as a buy-sell spread may apply; refer to the Fees and costs summary for the relevant superannuation product or investment option.)

You should use this figure to help compare superannuation products and investment options.

CSS Investment Option	Cost of product
Cash	\$35
Income Focused	\$325
Balanced	\$450
Aggressive	\$480

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## General advice

Any financial product advice in this document is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. You may wish to consult a licensed financial advisor. You should obtain a copy of the relevant Product Disclosure Statement and consider its contents before making any decision regarding your super. Commonwealth Superannuation Corporation (CSC). ABN 48 882 817 243 AFSL 238069 RSE Licence No: L0001397.



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