

Asset allocation and fee updates

I am writing to update you on some changes resulting from our latest review of our investment options' strategic asset allocations – or long term asset mixes.

As you are likely to be aware, REI Super actively manages each investment option's asset mix to maximise the Fund's access to opportunities while minimising risks for our members. We do this within agreed strategic asset allocation ranges for each of our investment options.

Our recent review of the strategic asset allocations for each of our investment options has resulted in new asset mixes for the Stable option, Premium Income option, Trustee Super Balanced option and Growth option, as outlined on the page overleaf. These will become effective on 1 July 2015.

In line with the review of our strategic asset allocations, investment management fees, performance fees and buy/sell spreads charged by the Fund's investment managers are expected to change – also as outlined on the page overleaf.

You don't need to do anything as a result of these changes, but as always, if you need assistance, we're here to help.

If you have any queries or need further information please call us on **1300 13 44 33** or internationally on **+61 3 8687 1834** 8.30am to 7.00pm (EST) Monday to Friday (except for public holidays) or email us at admin@reisuper.com.au.

Yours sincerely,



Mal Smith
Chief Executive Officer

Changes to strategic asset allocations for Stable, Premium Income, Trustee Super Balanced and Growth options

Asset class	Super Growth		Trustee Super Balanced		Super Stable		Premium Income	
	Current	New	Current	New	Current	New	Current	New
Australian Shares	44%	30%	32%	19%	14%	10%	0%	6%
International Shares	32%	45%	24%	32%	10%	13%	5%	4%
Australian Listed Property	9%	8%	8%	8%	3%	4%	5%	8%
International Listed Property (Hedged)	3%	3%	2%	2%	1%	0%	0%	3%
Unlisted Property	3%	3%	4%	4%	0%	0%	0%	0%
Global Infrastructure	3%	4%	3%	4%	2%	3%	5%	6%
Australian Bonds	0%	0%	8%	10%	16%	22%	25%	25%
International Bonds	0%	0%	6%	6%	14%	10%	10%	12%
Global Inflation Linked Bonds	0%	0%	2%	3%	6%	6%	5%	6%
Alternatives	5%	6%	6%	7%	6%	6%	0%	0%
Cash	1%	1%	5%	5%	28%	26%	45%	30%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Changes to Investment & Performance Fees

Investment option	Current			New		
	Investment management fee	Performance Fee	Total Investment Fee	Investment management fee	Performance Fee	Total Investment Fee
Super Growth	0.44%	0.07%	0.51%	0.47%	0.07%	0.54%
Trustee Super Balanced	0.33%	0.05%	0.38%	0.35%	0.05%	0.40%
Super Stable	0.29%	0.03%	0.32%	0.27%	0.03%	0.30%
Premium Income	0.16%		0.16%	0.24%	0.01%	0.25%
Super Cash	0.13%		0.13%	0.13%		0.13%
Australian Shares	0.41%	0.05%	0.46%	0.42%	0.05%	0.47%
International Shares	0.54%	0.05%	0.59%	0.13%		0.13%
Australian Property	0.13%	0.13%	0.13%	0.13%		0.13%
Global Property	0.48%		0.48%	0.44%		0.44%
Bonds	0.27%		0.27%	0.31%		0.31%

Buy/Sell Spreads*

Investment option	Current		New	
	Buy	Sell	Buy	Sell
Super Growth	0.25%	0.25%	0.21%	0.21%
Trustee Super Balanced	0.20%	0.20%	0.17%	0.17%
Super Stable	0.11%	0.11%	0.12%	0.12%
Premium Income	0.05%	0.05%	0.10%	0.10%
Super Cash	0.00%	0.00%	0.00%	0.00%
Australian Shares	0.30%	0.30%	0.15%	0.15%
International Shares	0.25%	0.25%	0.16%	0.16%
Australian Property	0.20%	0.20%	0.20%	0.20%
Global Property	0.35%	0.35%	0.15%	0.15%
Bonds	0.00%	0.00%	0.10%	0.10%

*What is a buy-sell spread?

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of a superannuation fund in relation to the sale and purchase of its assets.

When a contribution is received or a benefit is paid, it is used to purchase or sell units in your investment option(s). For some investment options, the entry price for the issue of units may be different from the exit price for the redemption of those units. The difference between the entry and exit price represents an allowance for transaction and operational costs, and is commonly referred to as the 'Buy/Sell spread'. This Buy/Sell spread is usually paid to the external investment managers of a fund's investments and simply reflects the costs associated with the investment transaction(s) made.

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