

## IMPORTANT

### MEMBER NOTICE

#### LESF Member Services

For Inquiries Contact:

Freecall: 1800 359 686

Fax: 02 9262 7473

Email: [lesf@diversa.com.au](mailto:lesf@diversa.com.au)

Mail: PO Box A2499,  
Sydney South NSW 1235

## STAY IN TOUCH

It is easy to stay contact with LESF even you change jobs, move houses, or life changes.

Letting LESF know your new personal details, in particular email addresses & mobile phone numbers means if and when you do move, your super does not become lost.

You can update your details by calling our Member Services team or fill out the 'Change of Membership Details' form, available under Publication section on our website [www.lesf.com.au](http://www.lesf.com.au).



## NEW MEMBER ACCOUNT NO

New Member numbers were issued from 1 August 2013 with the change of administrator to Diversa Superannuation Services.

Please contact LESF Member Services for your new Member number, and use this number on all forms and correspondence with the Fund.

## Factsheet - Investment Unitisation

From 1 June 2014, LESF will be changing to a unitised valuation method to record member investment values in the Fund. Currently the Fund reports member investments as a dollar value and applies a crediting rate to recognise the change in investment value.

This change is an important step for the Fund, and will bring LESF in line with best practice and modern investment techniques in the superannuation industry in Australia today.

### What is Unitisation?

Unitisation is a process used to attribute net assets to individual members. When you invest in any of LESF's investment options, your money is placed in a pool of investment, with every other member who has chosen the same investment option. The total value of each investment option is then broken into units, and your ownership of that investment pool is represented by the number of units you own - similar to holding company shares.

Your total investment equals the number of units allocated multiplied by the most recent unit price. The unit price is determined by dividing the total value of assets in the investment option pool (after an allowance for tax and fees) by the number of units issued for that investment option. The unit price can move up and down as the value of the investment option changes.

$$\text{Unit Price} = \frac{\text{Total value of asset in the investment option pool}}{\text{Total number of units}}$$

$$\text{Member's Investment value} = \text{unit price} \times \text{number of units}$$

### Advantages of unitisation

- Greater fairness to all members than using a monthly interim crediting rate method; and
- Unitisation provides members with more up-to-date information about their accrued member account balances.

### Converting to unitisation

From 1 June 2014, the changeover of the valuation method from crediting rate to unitisation will be implemented.

The amount of your account balance will be determined for the last time using the crediting rate method, and the commencing unit price of \$1.00 for each investment option will be applied, therefore

the number of units you will be allocated is equalled to the dollar value of your account balance.

For example:                 \$1 (as at 31 May 2014) = 1 unit from 1 June 2014

After the conversion date, two unit prices will be calculated for each investment option - a Buy Price and a Sell Price. These prices are different due to the cost of acquiring or disposing of the assets and generally the Buy Price is higher than the Sell Price. Unit prices are usually calculated on a weekly basis for each investment option, however, in some instances, the Trustee may determine the valuation is to be made on another basis.

### **When is the Buy and Sell Price used?**

**Buy Price** - Is utilised when investment is made to the Member's Investment Strategy in the Fund once contributions or rollover have been made

**Sell Price** - Is utilised when redemptions from the investment strategy or withdrawals from the Members Account in the Fund are made

### ***Case Study – how unitisation works in practice***

*On 31 May 2014, John Smith has an account balance of \$20,000 with \$15,000 invested in the LESF MySuper option and \$5,000 in LESF Equities Option.*

*His super fund advised of the conversion to unitisation on 1 June 2014.*

*On 1 June 2014, the Fund converted to unitisation and allocated 15,000 units in the LESF MySuper Investment Option and 5,000 units in the Equities Investment Option to John.*

*John makes a contribution of \$550 to the LESF MySuper Investment Option on 27 June 2014.*

- *The weekly MySuper Investment Option buy price is \$1.10 per unit; and*
- *The number of units John will be allocated is  $\$550/\$1.10 = 500$*

*On the 7 July 2014 John requests a withdrawal of \$550 from the LESF MySuper Investment Option.*

- *The weekly MySuper Investment Option sell price is \$1.09 per unit; and*
- *the number of units redeemed is  $\$550/\$1.09 = 504.6$*

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## **How can I check the value of my account?**

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You can check the number of units you hold in each of LESF's investment options online on LESF's homepage at [www.lesf.com.au](http://www.lesf.com.au) and login as a member. You can view the latest available unit price for the investment options you are invested in by going to LESF's homepage.

### ***Want to know more??***

**CALL LESF Member Services on 1800 359 686** for information on your Member Account, investment strategy options, or investment strategies in general.

#### **Disclaimer**

This is general information only and not intended to constitute taxation, superannuation or financial product advice. You should consider taking advice from an Australian Financial Services Licence holder and/or a qualified taxation professional before making any decision on a financial product.