



**TASPLAN**  
*Your Choice for Super*

# Important Information about the introduction of Unitisation

Dear Member,

Tasplan currently reports member investments as a dollar value and applies a crediting rate to recognise the change in investment value. On 31 March 2010, Tasplan will be changing to a unitised method to record member investments in the Fund. This is an important step for the Fund and brings us into line with the best practices utilised in the superannuation industry.

The introduction of unitisation will not affect your benefit with Tasplan, but will mean that your account balance and transactions will be expressed in a different format to what you have previously seen. Unitisation will apply to all members of the Fund.

The introduction of unitisation means that we can calculate unit prices each week and will assist in valuing your account balance in the Fund on a weekly basis rather than waiting until 30 June each year to receive the allocation of investment earnings generated by the application of the Annual Crediting Rate.

To help you understand how unitisation will work and what it will mean for members we have prepared the following information.

We encourage you to read the following information and should you have any questions please contact our Client Contact Centre on **1800 005 166**.

Yours Sincerely,

**Neil Cassidy**

**CEO**

# Investment Unitisation Fact Sheet

## What is unitisation?

When you invest in any of Tasplan's investment options your money is placed in a pool of investments along with every other member who has chosen that investment option.

Each investment option is then broken up into units and every unit you own in that investment pool represents your share of that investment option.

A unit price is then applied to the units and the number of units multiplied by the price represents the total value of investment in that option. The unit price is determined by dividing the value of the assets in the investment option pool (after an allowance for tax and fees) by the number of units issued for that investment option. Unit prices can move up and down as the value of the investment option changes.

Units will be priced on a weekly basis and the new unit prices will be available on Wednesday of each week. However, in some abnormal circumstances the calculation of unit prices may be delayed or member transaction processing suspended when the Trustee considers that information to determine unit prices is not available or an extraordinary event has occurred which may have a significant impact on the Fund.

The main advantages of unitisation are that:

- it will mean greater fairness to all members than under a monthly interim crediting rate method; and
- weekly unit prices will allow us to provide members with more up-to-date information about their account balances.

## Converting to unitisation

On 31 March 2010 the amount of your account balance will be determined for the last time using the crediting rate method. The commencing unit price on 1 April 2010 will be \$1.00 for each investment option and the number of units you will be allocated is determined by dividing your closing investment option value at 31 March 2010 by the commencing unit price of \$1.00 for the investment options that you currently hold.

As an example:

On 31 March 2010 Jeff Jones has an account balance of \$30,000 with \$25,000 invested in the Balanced option and \$5,000 in the Short Term Defensive option.

Conversion to unitisation means Jeff will be allocated 25,000 units in the Balanced option (\$25,000 divided by \$1.00) and 5,000 units in the Short term Defensive option (\$5,000 divided by \$1.00). After unitisation, Jeff's account balance will still be \$30,000.

## How will unit pricing work after 31 March 2010?

Two unit prices are set for each investment option, a Buy Price and a Sell Price. The Buy Price is utilised when a member makes a further investment in an investment option through such transactions as contributions or rollovers into Tasplan. The Sell Price is utilised when redemptions or withdrawals are made due to benefit payments or the deduction of fees and insurance premiums from the members account.

Unit prices will be determined using the most recently available valuation information for assets in each of the Fund's investment options as at the close of business on each Friday (in some instances a Friday may not be a business day in Victoria and Tasmania or valuation information for Friday may not be available and the Trustee will need to use valuation information for another day or a different process to value those assets).

A provision for tax (does not apply to TasPension investment options) and Fund expenses (such as investment manager fees) will be deducted from the valuations and a net asset value calculated for each investment option. Each net asset value will then be divided by the number of units on issue for each investment option and the resultant unit price is adjusted for the cost of acquiring or disposing of the assets in each investment option due to transaction activity which results in the setting of the Buy Price and the Sell Price. In general the Buy Price will be higher than the Sell Price.

The Trustee intends to release unit prices, usually, by Wednesday of the following week and these prices will be available online at [www.tasplan.com.au/members/investment](http://www.tasplan.com.au/members/investment). Unit prices will, generally, be applicable for the following weekly period and any member transactions processed during that period will use the relevant investment option's unit price to determine the number of units to be allocated or deducted from the members account.

When a new contribution is processed to your account, units will also be allocated. The number of units to be allocated will be determined by dividing the contribution amount by the relevant unit price. For example:

Jeff Jones makes a contribution for May 2010 for \$1,100.

Buy Price = \$1.10 per unit

Number of units allocated = 1,000 units ( $\$1,100/\$1.10$ )

When a benefit payment or withdrawal (such as for administration fees, insurance or tax) is made from your account, units are redeemed using the relevant Sell Price. E.g.

Jeff Jones makes a withdrawal of \$1,100.

Sell Price = \$1.09 per unit

Number of units redeemed = 1,009.1 units ( $\$1,100/\$1.09$ )

When a member requests a switch between investment options the transaction is processed like a withdrawal and a contribution, except that Investment Switch transactions are only processed Thursday of each week following the receipt and validation of the switch instruction prior to the close off deadline. Investment Switches are processed using the next week's unit prices to ensure members do not obtain any unfair advantage (known as arbitrage).

## Different prices for Superannuation and Pension members

There will be different unit prices for the same Superannuation and Pension investment options. This is because investment options in the Superannuation section of the Fund are subject to tax and we need to accrue for this tax (as well as other expenses of the Fund) when we calculate unit prices. For the Pension section of the Fund, earnings on those assets are not taxable.

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

You can check the number of units you hold in each of Tasplan's investment options online by logging onto Tasplan's homepage at [www.tasplan.com.au](http://www.tasplan.com.au) and clicking on the Online Access button. If you select the Benefit Quote option this will use the latest available unit price to value your investments. There are different unit prices for each investment option and those unit prices may change weekly. Therefore if you want to check the latest available unit price for the investment options you are invested in, log on to [www.tasplan.com.au/members/investment/investment-performance](http://www.tasplan.com.au/members/investment/investment-performance).

Remember that unit prices change regularly and check to see if all your recent transactions have been received and processed.

Alternatively, you can call our Client Contact Centre on **1800 005 166** and they can assist you with information in relation to your investment holdings or a benefit balance.

## Further Updates

Tasplan will post future updates and notices on our website.

The transaction converting your investments to unitised investments will be clearly disclosed on your annual statement, posted to you in early October.

In the meantime you can view the conversion to unitisation transactions online, through your Member Access account. If you have not already registered for Member Access, log onto [www.tasplan.com.au/online-access](http://www.tasplan.com.au/online-access) to register.

Please note that due to the unitisation changes that need to be reflected in the Member Access information provided to members, there may be periods of limited or no access between 22 March 2010 and 11 April 2010.

We apologise for any inconvenience this may cause.

## Questions

If you have any questions about the move to unitisation, please remember you can always call our Client Contact Centre on **1800 005 166** for further assistance on any aspect of how this may impact on your Tasplan account.

Visit our website

[www.tasplan.com.au](http://www.tasplan.com.au)

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