



Super News

ORACLE SUPERANNUATION PLAN

November 2019

Welcome to the latest issue of *Super News*, the newsletter for members of the Oracle Superannuation Plan ("the Plan").

This **Significant Events** edition of *Super News* explains some upcoming changes to the Plan's investment managers and fees. We also remind you about how to keep track of your super contributions to avoid paying extra tax.

Changes to the Plan's investments

The Trustee, in conjunction with its investment advisor, has completed a thorough review of the Plan's Australian and international shares investments. As a result, there will be some changes to the Plan's investment management arrangements and some increases in fees. The changes take into account the expected investment outlook, and the Trustee's views of each manager's ability to add value for members in the medium to long term.

To ensure a smooth transition and manage risk, the Trustee has appointed Macquarie, a specialist transition manager. The transition is expected to occur by the end of 2019.

Investment manager changes

The changes to investment managers are shown below. The proportion allocated by the Plan to Australian and international shares investments overall is unchanged.

What's new?

For the Australian shares portfolio:

- The number of investment managers will reduce from four to three.
- Karara Australian Equities Fund and Schroder Australian Equity Fund will be terminated and replaced by a single manager for 20% of this portfolio.
- Vinva Australian Equities Fund will manage 50% (previously 25%).
- Merlon Capital Partners will manage 30% (previously 25%) in the Merlon Concentrated Value Fund instead of the Merlon Australian Share Fund.

For the international shares (developed markets) portfolio:

- Half of this portfolio will become "**actively managed**" instead of being wholly "**passively managed**" (see box to the right). Whilst conscious of the fee impact, the Trustee believes that the change should add value (after fees) to the Plan's long-term investment returns.
- The actively managed portion will be invested in the Willis Towers Watson Australia – Global Equity Focus Fund (GEFF). GEFF is managed by Towers Watson Australia Pty Ltd, a wholly-owned subsidiary of Willis Towers Watson. The structure of GEFF combines approximately ten underlying international share managers that are highly rated by Willis Towers Watson.
- The passively managed portion will continue to be managed by BlackRock, but State Street Global Advisors will be terminated.

What is active vs passive portfolio management?

Generally:

Active management is where managers choose to hold specific investments with the aim of outperforming a particular market index.

Passive management is where managers try to replicate the investment holdings of a particular index and mimic its performance.



The Trustee treats potential and actual conflicts of interest seriously and has developed controls and processes for identifying, monitoring, avoiding and managing conflicts as appropriate. These controls and processes have been applied when deciding to make the current investment in GEFF and will continue to be applied when assessing investment performance and suitability in future.

Fee changes

Following the investment manager changes, the fees for each of the Plan's options (except Stable and Cash) will increase, as shown below.

Option	Investment fees	
	Existing	New
Diversified Shares	0.30% to 0.35% per year (\$3.00 to \$3.50 per \$1,000)	0.45% to 0.50% per year (\$4.50 to \$5.00 per \$1,000)
Growth	0.50% to 0.55% per year (\$5.00 to \$5.50 per \$1,000)	0.60% to 0.65% per year (\$6.00 to \$6.50 per \$1,000)
Balanced	0.40% to 0.45% per year (\$4.00 to \$4.50 per \$1,000)	0.45% to 0.50% per year (\$4.50 to \$5.00 per \$1,000)

The Plan's Product Disclosure Statements are being updated to reflect the changes and will be available shortly at <https://super.towerswatson.com/super/oracle>.



Any questions?

If you have any questions about the information in this newsletter, or about the Plan in general, please contact the **Plan Administrator** on 1800 127 953 or visit the Plan's website at <https://super.towerswatson.com/super/oracle>.

How to check your contributions are within tax limits

Being an Employee member of the Plan means that you can add to your super to help grow your retirement savings, either from your before-tax or after-tax salary. Retained Benefit members can also make after-tax contributions to the Plan within 30 days of leaving Oracle. However, it's important to track your contributions against the Government's limits, to avoid paying extra tax.

Know the limit

The limit is generally \$25,000 for concessional contributions – which includes Oracle's super contributions for you, your voluntary salary sacrifice super contributions and any amounts that Oracle pays to cover the administration and insurance costs for Employee members.

From 1 July 2019, a higher limit applies if you did not use all of your concessional limit in the 2018/19 year and your total superannuation balance on 30 June 2019 was less than \$500,000. Unused cap amounts can be carried forward for a maximum of five years. See the Plan's Product Disclosure Statement for more information.

Check how you're tracking

To check how your concessional contributions are tracking against the limits:

- 1 Log into the Member Centre at <https://super.towerswatson.com/super/oracle>.
- 2 Under "Transaction History", use the "Transaction Type" box to find the amount of your contributions for each type of concessional contributions, and total them.

Employee members need to add the 2019/20 cost of insurance and administration that Oracle pays for you. This is expected to be, on average, 0.7% of your salary for insurance and \$510 for administration.

- 3 Add your concessional contributions to any other super funds you belong to. This is because the limits apply to the total contributions to all your funds. You do not have a separate limit for each fund.

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Issued by Towers Watson Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049), as Trustee for the Oracle Superannuation Plan (ABN 17 608 890 083). November 2019.