

Significant Event Notice

January 2014

HIP is excited to announce a new strategic partnership by merging with Prime Super to form one superannuation fund effective **1 May 2014**



Why?

To provide better service and improved product offerings to members.

This document will explain the benefits of this strategic partnership and important information about the structure of the new organisation.

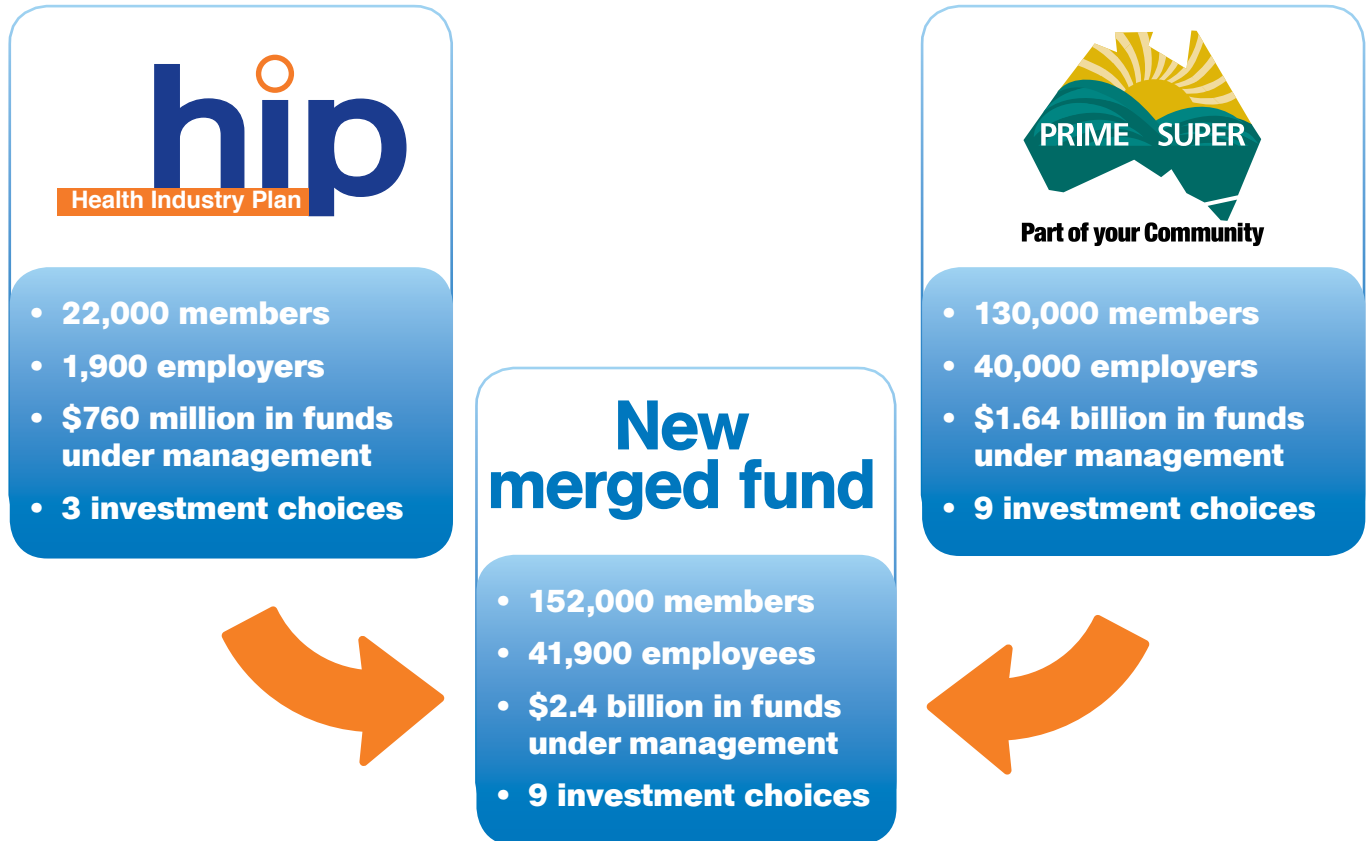
HIP's strong long-term performance and value for money has resulted in HIP being awarded a AAA rating from Rainmaker Information, an independent research organisation. This recognition supports our mission 'to provide members with an opportunity to achieve a financially secure retirement'. The merging entity Prime Super is also rated AAA by Rainmaker.



This notice is issued by the Trustee of Health Industry Plan (HIP) ABN 50 030 598 247, Private Hospitals Superannuation Pty Ltd, ABN 59 006 792 749. Australian Financial Service Licence (AFSL): 247 063, MySuper authorisation number 50030598247691, RSE Licence Number L0001533 and RSE Registration Number R1056617. Registered address: Level 5, 477 Pitt Street Sydney NSW 2000. Contact Customer Service Representative: Locked Bag 23, Haymarket NSW 1236. Ph: 1300 654 099. hipsuper@superpartners.com.au. hipsuper.com.au. The merging entity is Prime Super Pty Ltd ABN 81 067 241 016. AFSL No. 219723. RSE Licence No. L0000277. ABN 60 562 335 823; RN 1000276. Registered address: Level 15, 190 Queen Street, Melbourne VIC 3000. HIP35598

Two funds joining

The merger between HIP and Prime Super will be undertaken by a successor fund transfer agreement in line with the *Superannuation Industry (Supervision) Act 1993*. These provisions include the certification of the maintenance of rights for transferring members. Effective 1 May 2014, HIP members will be transferred to the trusteeship of Prime Super Pty Ltd and an RSE licensee. The appropriate Trust Deed amendments will be made to protect the rights of HIP members and to maintain the continuation of HIP's Trustee Board representation.



Why merge?

One of the key reasons why HIP and Prime Super are merging is to take advantage of increased scale, which will see greater benefits delivered to members. Very soon, we will be announcing an exciting new name for the combined entity. Here are some benefits you will see:

- Improved economies of scale for administration and investments
- More flexibility in investment choice options
- Improved online access for members
- Better member and employer services
- Public offer fund available to family and friends
- Plus the same great insurance

Who is Prime Super?

Like HIP, Prime Super is a national industry super fund where the members' interests come first. Prime Super has almost 20 years' experience in the superannuation industry and is primarily dedicated to looking after regional and rural Australia. Prime Super has over 130,000 members and 40,000 employers.

The merger will provide HIP members with greater regional support and access to super education regardless of whether they live in capital cities or regional centres. HIP is excited to be merging with Prime Super, to bring together the advantages and strengths of two industry super funds. At the same time, the focus on looking after the health and associated industries will remain.

Changes to the Trustee Board

The combined Trustee Board will continue to have equal representation from related employer and member bodies from the health and associated industries. The sponsoring bodies for HIP, the NSW Nurses and Midwives' Association and the NSW Private Hospitals Association will retain their nominating rights for the new entity in order to protect members' best interests, and continue the focus on providing services to the health and associated industries.

There will be four HIP representatives on the new Trustee Board of nine, including an independent Chairman. Current HIP Trustee Directors, Anthony Wallace, George Toemoe, Anna Claude and Bob Whyburn will continue their stewardship and representation on the Board.

HIP remains committed to the health and aged care industries.

More investment choice options from 1 May 2014

When HIP merges with Prime Super on 1 May 2014, members will be transferred into the investment options that are most closely aligned with the options currently invested. The existing HIP MySuper (Growth) Option will be transferred to Prime Super's MySuper Option. HIP Capital Stable Option will be transferred to the Conservative Option, and the HIP Cash Option will be transferred to the Cash Option.

The names of the investment option may be different, however, the same broad parameters of the investment options remain the same. These transfers will be made automatically, and you do not need to do anything unless you want to change your investment choice. From 1 May 2014, you will have access to a total of nine investment options to choose from.



HIP insurance

Your existing insurance arrangement will remain the same. You will receive a statement from HIP ending 30 June 2014 to reassure you that your account balance and insurance entitlements have been transferred correctly.

More streamlined account processing

Effective from 1 May 2014, HIP will be moving to a new administration provider, Link Super Pty Ltd. This change will help us to more efficiently streamline your account as well as providing improved online services.

During this transition stage, HIP will ensure your account details and balances are transferred to the new entity correctly. Preparing the final report and transferring your super entitlements is a complex task between two administration providers. There may be a short period of time where access to member information and transactions may be closed off. The length of time will be kept to a minimum.

New fee structure

Effective from 1 May 2014, there will be new fees and costs for HIP members. This table gives an example of how fees and costs will be applied to your Prime Super's MySuper product. The actual fees charged will be dependent upon your account balance.

	Current fees	New fees
Investment fees	Nil	Nil
Administration fees	\$2.50 per week (\$130.00 p.a.)	\$1.40 per week (\$72.80 p.a.) plus 0.5% p.a. of your account balance of \$100,000, then nil on amounts over \$100,000
Switching fee	Nil for the first switch, then \$20 for every subsequent switch in the same calendar year	Nil for the first switch, then \$60 for every subsequent switch in the same calendar year
Exit fee	Nil	Nil, unless your balance is transferred to an ERF, then \$10 is charged.
Other fees and costs		
Establishment fee The fee to open your account	Nil	Nil
Contribution fee (entry fee) The fee on each amount contributed by you or your employer	Nil	Nil
Withdrawal fee The fee on each amount you take out of your account	Nil	Nil
Indirect cost ratio (calculated as at 30 June 2013. and may vary from year-to-year)	HIP MySuper: 0.85% Capital Stable: 0.61% Cash: 0.25%	MySuper: 0.68% Managed Growth: 0.76% Conservative: 0.40% Alternatives: 0.88% Australian Shares: 0.62% International Shares: 0.73% Property: 1.22% Fixed Interest: 0.25% Cash: 0.20%

Reminders

- **Keep your address up to date** – so you receive new updates from HIP during the transition phase. HIP will be sending out important communication materials during this process of change to keep members well informed. Closer to the merge date, you'll receive an information pack including an updated Product Disclosure Statement (PDS).
- **Visit hipsuper.com.au** – HIP will be updating any merger information on the website regularly.
- **Your regular employer SG contributions**
Your employer SG contributions will not be affected. HIP will contact you in writing if there is anything we need you to do.

Call **1300 654 099** anywhere in Australia
 Email **hipsuper@superpartners.com.au**
 Mail **Locked Bag 23, Haymarket NSW 1236**
 Web **hipsuper.com.au**



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