

# How investment returns affect your investment switch

Superannuation is generally viewed as a long term investment that will grow over time, regardless of short term volatility. It is therefore important to understand the effects of switching your superannuation investment option in periods of volatile investment markets.

NTGPASS investment returns for active and retained members are calculated and applied to members' accumulation accounts on a weekly basis. A year-to-date (YTD) rate, which is the cumulative effect of each weekly return for the current financial year, is also calculated. The weekly and financial YTD investment returns are posted on our web-site.

NTGPASS investment returns for pension members are calculated on a monthly basis. The monthly and financial YTD investment returns are posted on our web-site.

Investment returns can be either positive or negative, depending on market conditions. This means the balance of your member account will vary when the NTGPASS investment returns are applied.

If you are an active member your accumulation account is made up of your own contributions plus earnings, but does not include your employer-financed defined benefit. If you are a retained member your accumulation account represents your entire account balance.

## How we process your switch application

Applications to switch investments are actioned within 30 days of receipt.

When we process your investment switch application, your member account is revalued using the current investment return for your existing investment option. The resulting revalued balance is then switched into your new investment option.

Examples are provided to help demonstrate the effect of processing an investment switch.

Example 1 illustrates the impact of a switch from the Growth investment option to the Conservative investment option where the YTD investment return is positive 2 per cent.

Example 2 shows the impact of the same switch where the YTD investment return is negative 2 per cent.

### Example 1: Positive Rate of Return

Opening balance in Growth investment option	\$100,000.00
YTD Growth option investment return	Positive 2.0%
Account balance switched into Conservative investment option	\$102,000.00

### Example 2: Negative Rate of Return

Opening balance in Growth investment option	\$100,000.00
YTD Growth option investment return	Negative 2.0%
Account balance switched into Conservative investment option	\$98,000.00

Investment returns are applied to your chosen investment option for the period of time you are in that investment option.

For more information on the available investment options, read the Member Investment Choice booklet available from our website or ring one of our member services officers to have a copy posted to you.

### Disclaimer

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