

Choosing your Investment Option

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The Plan offers five diversified investment strategies to help you achieve your retirement goals.

Investment choice enables you to select the investment approach that best suits you at a particular point in time. You should bear in mind it is likely the best investment approach may change over your lifetime. You can change your investment choice at anytime for no additional cost.

In this document we provide guidance on how to choose the investment option most suited to your circumstances.

Professional advice

The information provided is general in nature and does not take into account your specific financial situation or needs. You should consider obtaining professional advice tailored to your personal circumstances if you are in any doubt about the investment option to choose.

Investment Choice

Our investment strategies cover a broad range of risk profiles and enable you to select the option that best suits you.

The investment strategies are:

- Cash
- Capital Stable
- Balanced (MySuper)
- Growth
- High Growth

You may select one or any combination of the investment strategies.

Each investment strategy (aside from the cash strategy) has a mix of investments across the following asset classes:

- Listed Australian Shares
- Listed International Shares
- Alternatives
- Listed Property
- Australian Fixed Interest
- International Fixed Interest
- Cash

Shares are ownership in a company that is generally listed on a stock exchange in Australia or internationally.

Listed Property is ownership in a trust or company that invests in property and is generally listed on a stock exchange in Australia.

A fixed interest investment generally relates to a term deposit with a financial institution or a loan to the Government or a company with a stated interest rate and maturity date of greater than 12 months.

Cash is investments in bank deposits or cash management trusts.

Investment Objective

Our publication '*Investment Strategies*' sets out the investment objective for each investment strategy which will help you determine the strategy best suited to your investment goals.

Making a Choice

Before making your investment choice you should first consider:

- What investment outcome you want to achieve
- Your attitude to risk and volatility
- Your understanding of the trade-off between risk and return
- The number of years you have until retirement (ie your investment time horizon)
- Other investments that you own

Risk and Volatility

Risk is the likelihood that your investment goals and objectives are not met. Volatility is the movement in investment return of a given investment class from year to year, or even within years.

Investors often think that volatility equals risk. This may be true if you have a short time horizon and may be forced to realise your investment at a time when investment returns are low. However, while cash has very little volatility, it may be regarded as a risky investment if, over a long period of time, it underperforms other investment options and causes you to fall short of your investment objectives.

You need to determine how much volatility, and therefore variability in the year-to-year performance you are prepared to accept. In this regard it is important to understand

that investment classes with the greatest volatility also historically have had the greatest investment return over the long term. To make a decision on volatility and risk you need to understand your investment time horizon.

Investment Time Horizon

This is an important factor in making your investment decision.

Generally your superannuation investment has a long-term time horizon. As such, members are generally able to accommodate investment choices with medium to high volatility. However, if you are close to retiring you may want to ensure that you maintain the capital value of your investments. In this instance the Cash or Capital Stable investment strategies may be more appropriate.

If you want to achieve growth in the value of your entitlement over a long-term time horizon and are prepared to weather short-term volatility in returns, an investment

strategy with a high allocation of Shares and Property (Growth or High Growth) may be more appropriate.

The investment strategies detailed below set out the investment time horizon that best suits each strategy.

Diversified Portfolios

Each investment strategy has a mix of asset classes. The performance of each asset class could be positive or negative at different times. By investing in a diversified portfolio across a range of asset classes the impact of a negative performance of one asset class can be minimised.

The investment strategies available in the Plan all invest in the same asset classes but in differing proportions between each class (aside from the Cash strategy). What is important is the mix of assets and how they inter-relate to create a portfolio with a distinct risk profile.

Investment Strategies

The Plan measures investment risk against risk band targets set for each investment choice. The risk bands are as follows:

Risk Band	Risk Label	Estimated number of negative annual returns over any 20 year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

Cash

Purpose and Suitability	Cash
Secure Income Stream	High
Capital Stability	High
Steady Growth of Capital and Income	Not Appropriate
Long Term Wealth Accumulation	Not Appropriate
Volatility	Low
Investment Objective	To provide exposure to short-term low risk cash investments providing a constant income stream and stability of capital invested.
Asset Allocation	Invested in cash and term deposits.
Estimated number of negative annual returns over any 20 year period	Nil
Risk Band Outcome	Very Low
Risk Band Target	Very Low
Investment Time Frame	Short-term: <2 Years
Performance Benchmark	To provide a total annual return (after all fees and expenses) of at least the CPI +1.0% when measured over rolling five year periods.

Asset Class	Asset Allocation
International Equities	0%
Australian Equities	0%
Property	0%
Australian Fixed Interest	0%
International Fixed Interest	0%
Cash	100%

Capital Stable

Purpose and Suitability	Capital Stable
Secure Income Stream	Moderate
Capital Stability	Moderate
Steady Growth of Capital and Income	High
Long Term Wealth Accumulation	Low
Volatility	Moderate
Investment Objective	To provide exposure to a broadly diversified range of asset sectors with an emphasis on producing income with the potential for some capital growth.
Asset Allocation	Invested mainly in cash and bonds with some exposure to shares and property.
Estimated number of negative annual returns over any 20 year period	1.35
Risk Band Outcome	Low to Medium
Risk Band Target	Low or Low to Medium
Investment Time Frame	Short to Medium-Term: +2 Years
Performance Benchmark	To provide a total annual return (after all fees and expenses) of at least the CPI +3.0% when measured over rolling five year periods.

Asset Class	Asset Allocation
International Equities	8.5%
Australian Equities	10.5%
Property	6%
Alternatives	5%
Australian Fixed Interest	19%
International Fixed Interest	14%
Cash	37%

Balanced (MySuper)

Purpose and Suitability	Balanced (MySuper)
Secure Income Stream	Low
Capital Stability	Low
Steady Growth of Capital and Income	High
Long Term Wealth Accumulation	Moderate
Volatility	Moderate to High
Investment Objective	To provide exposure to a broadly diversified range of asset classes with a balance between producing income and achieving capital growth.
Asset Allocation	Invested in a balanced mix of shares, property, bonds and cash.
Estimated number of negative annual returns over any 20 year period	2.78
Risk Band Outcome	Medium
Risk Band Target	Medium
Investment Time Frame	Long-term: 3+ Years
Performance Benchmark	To provide a total annual return (after all fees and expenses) of at least the CPI +3.5% when measured over rolling ten year periods.

Asset Class	Asset Allocation
International Equities	16%
Australian Equities	20%
Property	8%
Alternatives	6%
Australian Fixed Interest	19%
International Fixed Interest	11%
Cash	20%

Growth

Purpose and Suitability	Growth
Secure Income Stream	Not Appropriate
Capital Stability	Very Low
Steady Growth of Capital and Income	Low
Long Term Wealth Accumulation	High
Volatility	High
Investment Objective	To provide exposure to a broadly diversified range of asset classes with an emphasis on achieving capital growth with some income produced.
Asset Allocation	Invested mainly in shares and property with some cash and bonds.
Estimated number of negative annual returns over any 20 year period	3.39
Risk Band Outcome	Medium to High
Risk Band Target	Medium or Medium to High
Investment Time Frame	Long-term: 5+ Years
Performance Benchmark	To provide a total annual return (after all fees and expenses) of at least the CPI +4.5% when measured over rolling five year periods.

Asset Class	Asset Allocation
International Equities	23%
Australian Equities	31%
Property	10%
Alternatives	6%
Australian Fixed Interest	18%
International Fixed Interest	10%
Cash	2%

High Growth

Purpose and Suitability	High Growth
Secure income stream	Not Appropriate
Capital Stability	Not Appropriate
Steady growth of Capital and Income	Not Appropriate
Long term wealth accumulation	High
Volatility	Very High
Investment Objective	To provide exposure to a diversified range of asset classes with a heavy emphasis on achieving high capital growth.
Asset Allocation	Invested in shares, property and international bonds with a minimal amount of cash.
Estimated number of negative annual returns over any 20 year period	4.26
Risk Band Outcome	High
Risk Band Target	High
Investment Time Frame	Long-term: 7+ Years
Performance Benchmark	To provide a total annual return (after all fees and expenses) of at least the CPI +5.0% when measured over rolling five year periods.

Asset Class	Asset Allocation
International Equities	30%
Australian Equities	45%
Property	10%
Alternatives	6%
Australian Fixed Interest	7%
International Fixed Interest	0%
Cash	2%

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