

1 October 2018

Investment Guide

Resource Super by Russell Investments

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The information in this document forms part of the Product Disclosure Statement for the Resource Super – Employer and General by Russell Investments dated 1 October 2018. This document is produced by the Trustee of the Russell Investments Master Trust (Fund, Plan or Resource Super), Total Risk Management Pty Ltd (Trustee), ABN 62 008 644 353. The Trustee’s Australian Financial Services Licence (AFSL) number is 238790. The Russell Investments Master Trust ABN is 89 384 753 567. The information in the PDS is correct at the time of publication of each document comprising the PDS. However, the information may change from time to time and if there is a material change to any of the information in any document, the Trustee will issue an updated document. However, if the change is not materially adverse to members, the Trustee may instead provide the updated information to members via the website russellinvestments.com.au/trusteerequireddisclosure. A paper copy of this information will be sent to any member, free of charge on request.

1. Risks of superannuation

The following additional information should be read in conjunction with section 4 of the Product Disclosure Statement (PDS):

1.1. Option Risk Levels

Each option has a risk level attributed to it based on the amount of time the investor remains invested in the option.

- **Short-term risk** is the risk that an investor's superannuation or pension savings will be reduced by the annual volatility of investment markets. This is consistent with how often the Option can expect a negative annual return in a 20-year period.
- **Long-term risk** is the risk that an investor's superannuation savings will not significantly outperform inflation over the investor's superannuation accumulation lifetime.

The risk level is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be, nor the potential for a positive return to be less than the return an investor may require to meet their objectives.

1.2. Other risks to consider

Investors should be aware that the following risks exist for some or all of the options in addition to those noted in the PDS:

- **Interest rate risk:** the options may be exposed to underlying funds that are sensitive to movements in domestic and international interest rates. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease.
- **Liquidity risk:** the options may be exposed to assets that have restricted or limited liquidity. This may result in delays in processing withdrawal requests due to general market interruptions or inadequate market depth.
- **Counterparty and settlement risk:** the options may be exposed to counterparty and settlement risk. These risks are influenced by, amongst other things, market practices (e.g. settlement and custody practices) and the creditworthiness of the parties the options are exposed to including derivative counterparties, and the level of government regulation in countries in which the options invest.
- **Derivatives risk:** some options may be exposed to underlying funds that use derivatives. There are significant risks associated with derivatives as they can be highly volatile and can serve to exaggerate both losses and gains.
- **Credit risk:** the options may be exposed to credit risk. Credit risk refers to the issuer of a debt instrument, banks holding cash deposits or the counterparty to a derivatives contract failing to meet an obligation to pay periodic interest, to repay the principal sum at maturity or to otherwise honour its obligations.
- **Currency risk:** the options may be exposed to underlying funds that hold foreign assets. Changes in exchange rates of currencies may affect the investment returns of these underlying funds. For the options that are identified as \$A hedged, although the aim is to be 100% currency hedged, some foreign currency exposures can remain which may affect the investment values of these options.
- **Emerging markets risk:** the options may invest in underlying funds that are exposed to emerging market securities that may be subject to higher levels of market volatility leading to higher general investment risk. Interest rate and currency risks may be greater due to higher levels of volatility in the economies of emerging markets. Furthermore, emerging market securities are often less liquid than the securities of developed markets. Counterparty and settlement risks are also increased.

- **Performance fee risk:** the performance fees charged by some underlying funds/managers are based on realised and unrealised gains. Therefore, a performance fee may be paid on unrealised gains that may never subsequently be realised. In addition, performance fees provide an incentive to make investments that carry more risk than those made in the absence of a performance fee.
- **Short selling risk:** the options may be exposed to underlying funds that engage in short selling. This is where an asset is sold that the investor does not actually own, with the aim of gains being made if the asset's price falls, and can be bought back later at a lower price. Short selling involves a higher level of risk than normal investment in shares. This is because when a fund invests in shares the maximum loss is generally limited to the amount invested. With short positions, there is theoretically no limit on the loss because the loss will continue to increase as the price of the share increases.
- **Leverage or borrowing risk:** some options may be exposed to underlying funds that use leverage or borrowing strategies that can magnify both gains and losses on investment returns. Money borrowed will be subject to interest and other costs, which may or may not exceed the income received from the instruments purchased with borrowed funds. Leverage creates an opportunity for greater returns, but at the same time, may significantly increase the risk of your investment in the options.
- **Securities lending risk:** the options may invest in underlying funds that engage in securities lending. There is a risk that the borrower may become insolvent or otherwise become unable to meet, or refuse to honour, its obligations to return the loaned assets. In this event, the underlying funds could experience delays in recovering assets and may incur a capital loss.

2. How we invest your money

The following information is incorporated into section 5 of the PDS:

Resource Super is MySuper compliant and offers members 23 investment options to choose from. The MySuper option is the MySuper compliant investment option in Resource Super.

If you don't make an investment choice your account will be invested into the default option – MySuper

The Trustee has appointed Russell Investments Management Limited (**Russell Investments**) as the investment manager for the Russell Investments Master Trust. The majority of the underlying assets of each of the portfolios are invested in Russell Investments unit trusts. Russell Investments appoints and manages the investment managers¹ who manage the assets of the Russell Investments unit trusts.

2.1. Choosing your investments

If you would like to choose how your account balance is invested, you can:

Select a single diversified or outcome oriented investment option

The Diversified and Outcome-Oriented investment options are designed by the Fund to make it easy for you – they combine a mix of complementary asset classes, management styles and investment managers, and dynamically manage them, on your behalf. Just choose the option which matches either your target risk profile (diversified) or target return expectation (outcome oriented) and we will take care of the rest.

Build-your-own investment strategy from Russell Investments' full range of investment options

You can also create your own mix of investments from the full investment menu, using a weighted mix of Diversified, Outcome-oriented, Sector, Responsible, and Third-party investment options. This may suit you if you would like to create your own investment strategy. It is important to review your selection regularly (perhaps, when you receive your annual statement) to see whether it remains suitable for your needs. If you decide to change, simply switch to the option or mix of options that most closely match your needs at that time.

Current Russell Investments managers and their styles

Russell Investments is the investment manager for the Russell Investments Master Trust. Russell Investments doesn't simply manage money – it designs, constructs and manages investment solutions to achieve specific required investment outcomes. This means no matter what assets or style is in favour at any given time, the way in which complementary managers and strategies are utilised can potentially help to provide more consistent returns. In order to manage an option to its investment objectives, Russell Investments retains the discretion to change the investment managers at any time without notice. Please check russellinvestments.com.au/disclosures for the latest list of managers.

Help to make a choice

To help you determine which investment option suits you - visit russellinvestments.com.au/super for more information about investing and the latest returns for each of the options. You can also complete a short quiz to help you determine which options might be right for you. Visit russellinvestments.com.au/support/how-super-works/investing. Alternatively, we can give you personalised advice about choosing an investment through Russell Investments Super Advice Service. The service is covered by your member fee so there is no charge for the advice.

Things to consider when choosing an investment strategy

When selecting multiple investment options, you can ask us to invest a set percentage of your money into each (e.g. four investment options with 25% of your money in each). Any further contributions to your account will be split in the same way, unless you request otherwise. In making investment decisions, you should consider whether your overall investment is adequately diversified across the different asset classes.

¹ In order to manage an option to its investment return objective, Russell Investments retains the discretion to change the investment managers at any time without notice. Please check russellinvestments.com.au/disclosures for the latest list of managers.

Depending on your personal circumstances, including investments that you hold outside of the Fund, it may not be appropriate to invest all of your super in one particular investment portfolio.

Switching between investment portfolios

You can switch between investment options at any time. Switches in the diversified options are generally free of charge² however, buy sell spreads apply to some of the other options. We also give you the flexibility to choose a different option or mix of options for your future contributions versus the balance you have already accumulated. Any deductions from your account will come from the option(s) you have selected for future contributions. You can request a switch via our website or by completing the Investment Choice Form. Your new investment choice will generally take effect two business days after we receive the request. This means the unit prices will reflect the investment returns on the day of your request, and transactions will be processed and units allocated to your account on the same day. If a switch is submitted by 4 pm, it will be processed within two business days. If it is submitted on or after 4 pm but before midnight, that switch will be processed on the third business day. It is important to note that the cut off time of 4 pm also applies to cancelling a switch. If you wish to cancel a switch that you have submitted since the previous day's cut off time, you must do so before 4 pm.

Staying on track with automatic rebalancing

Different investment options can perform differently in varying market environments. This fluctuation can lead to over-weighting or under-weighting of the various asset classes that you hold. More importantly, a shift in proportion can alter your originally intended allocations and change your level of risk exposure. To prevent your investments from becoming out of balance, we provide an automatic rebalancing service. If you choose to use the rebalancing service, we will regularly re-set your investments to your originally intended selections (using the previous example in *"Things to consider when choosing an investment strategy"*, we would re-set to 25% in each of your four chosen investment options). We rebalance your account on the 15th of each month. You may not select rebalancing if you have chosen different strategies for your current balance and your future contributions.

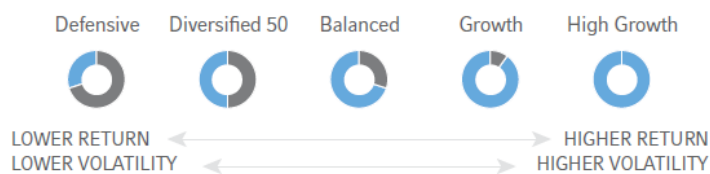
² If you make more than five switches in a financial year, buy-sell spreads will start to apply to the Diversified options. Refer to 'Buy-sell spread' in the PDS.

3. How the investment options invest

3.1. MySuper Option

The MySuper Option is invested across a range of investments, including growth, defensive and alternative asset types. As this Option is for members who do not otherwise choose how they'd like their money invested, its investment mix is designed to balance long term growth potential, with an acceptable level of risk. This Option is dynamically managed by a local team of specialist portfolio managers, to take advantage of both short term market opportunities and risks that present due to ongoing changes in market conditions.

3.2. Diversified options



Each diversified option has a different split between growth and defensive asset types, according to its risk/return profile. Each option is spread across a wide range of asset classes, in varying allocations between defensive and growth type investments. This ensures that they remain true to their risk/return profile regardless of market conditions.

Diversified investment option (x7)

- MySuper
- Defensive
- Diversified 50
- Blended Balanced
- Balanced
- Growth
- High Growth

3.3. Outcome-oriented options

These options are focused on delivering investment return targets above inflation. They are invested across a range of asset classes, including alternatives, and are actively managed within wide allowable asset allocation ranges. This allows the portfolio manager to dynamically manage the portfolio allocations to the target outcome in a wide range of market conditions.

Outcome-oriented investment options (x2)

- Multi-asset Income Strategy
- Multi-asset Growth Strategy

3.4. Sector options

Each sector option is actively managed to provide exposure to a single asset class, such as shares, bonds, property, infrastructure and cash. More specific options are available, including Australian and Global variants of some asset classes for more discrete exposures. Some global options offer \$A Hedging to minimise the impact of currency fluctuations on performance.

Sector investment option (x9)	
Australian	Global
<ul style="list-style-type: none"> - Australian Cash - Australian Cash Enhanced - Australian Fixed Income - Australian Opportunities 	<ul style="list-style-type: none"> - Global Fixed Income - \$A Hedged - International Property Securities - \$A Hedged - Global Opportunities - Global Opportunities - \$A Hedged - Emerging Markets

3.5. Responsible options

These investment options are focused on investment opportunities with low carbon impact, and/or environmental, social and governance (ESG) characteristics. There are both Australian and Global responsible options available.

Responsible investment options (x2)
<ul style="list-style-type: none"> - Responsible Australian Shares - Responsible Global Shares

3.6. Third-party options

These options are managed to provide passive investment exposure to a benchmark index. These options are not actively managed, and aim to track the return of their reference index. There are Australian Shares, Global Shares and Global Shares \$A Hedged variants available.

Third-party investment options (x3)
<ul style="list-style-type: none"> - Third-party Indexed Australian Shares - Third-party Indexed Global Shares - Third-party Indexed Global Shares - \$A Hedged

3.7. Cash at bank

In order to facilitate benefit payments and the payment of expenses, a small proportion of the assets of each investment option is held in the Fund's bank account at any given point in time.

3.8. Changes to underlying investments

We may change the underlying investments from time to time, without notice, to make sure we meet the objectives of investment options.

3.9. Reading the investment disclosure

The example below describes how to understand the following Diversified, Outcome-oriented, Sector, Responsible, and Third-party investment options.

MySuper

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 and 10 year periods.

Suitability: Suitable for investors who are seeking to build wealth over the medium to long term and are willing to accept the possibility of negative returns over the shorter term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 5 years before it meets its objectives.

Investment strategy: The option is typically exposed to a diversified option mix of around 70% growth investments and around 30% defensive investments[^]. The option may be exposed to derivatives.

Investment fee: 0.36% p.a.

Estimated Indirect Costs: 0.29% p.a.

Risk level:
Risk level for the time invested

Short term	Long term
High	Low

Estimated number of negative annual returns over any 20 year period: Approx 4 to 5

Asset allocation ranges#:

Asset Class	Minimum Allocation	Maximum Allocation
Australian Equities	15%	60%
International Equities	15%	60%
Property	0%	25%
Fixed Income	0%	40%
Cash	0%	25%
Infrastructure	0%	25%
Commodities	0%	10%
Other Alternatives	0%	25%

Option Name:

Name of the option.

Investment Return Objective:

The option's overall investment objective, including timeframes.

Suitability:

A profile of the investor that the particular option best suits.

Minimum investment timeframe:

The minimum timeframe we have suggested is based on the investment objective and level of risk of the option. The minimum investment timeframes should not be considered personal advice. Before making an investment decision, you need to consider your objectives, financial situation and needs.

Investment Strategy:

Outlines the overall strategy of the option as well as how money is invested within the option.

Investment fee:

The Investment fee represents the fees and costs for the care and expertise related to the investment of the assets of the option.

Estimated Indirect Costs:

The estimated Indirect Costs of a option includes all known and estimated indirect costs, expense recoveries and performance related fees incurred by the Fund or the underlying funds/managers. The amount shown has been calculated to 30 June 2018.

Standard Risk Measure:

We have adopted the Standard Risk Measure (SRM), which is based on industry guidance, to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives.

Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Investors should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).

Asset allocation ranges:

Asset allocations vary at different points in time. The asset allocation ranges reflect the minimum and maximum amount that can be held at any point in time in each asset class within the investment option.

For more information about asset allocation ranges visit russellinvestments.com.au/saa

3.10. Diversified investment options

Defensive

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 2.0% per annum, measured over rolling 5 year periods.

Suitability: Suitable for investors who do not have a long investment horizon and whose most important consideration is having a low chance of a negative return over this horizon.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 3 years before it meets its objectives.

Investment strategy: The option is typically exposed to a diversified option mix of around 30% growth investments and around 70% defensive investments[^]. The option may be exposed to derivatives.

Investment fee: 0.48% p.a.

Estimated Indirect Costs: 0.21% p.a.

Risk level:
Risk level for the time invested

Short term	Long term
Medium	Medium to High

Estimated number of negative annual returns over any 20 year period: Approx 2 to 3

Asset allocation ranges[#]:

Asset Class	Minimum	Maximum
Australian Equities	0%	40%
International Equities	0%	40%
Property	0%	15%
Fixed Income	10%	65%
Cash	0%	50%
Infrastructure	0%	15%
Commodities	0%	10%
Other Alternatives	0%	15%

Diversified 50

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 3.0% per annum, measured over rolling 5 year periods.

Suitability: Suitable for investors who are seeking some capital growth over the medium term and are willing to accept the possibility of negative returns over the shorter term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 4 years before it meets its objectives.

Investment strategy: The option is typically exposed to a diversified option mix of around 50% growth investments and around 50% defensive investments[^]. The option may be exposed to derivatives.

Investment fee: 0.50% p.a.

Estimated Indirect Costs: 0.25% p.a.

Risk level:
Risk level for the time invested

Short term	Long term
Medium to High	Medium

Estimated number of negative annual returns over any 20 year period: Approx 3 to 4

Asset allocation ranges[#]:

Asset Class	Minimum	Maximum
Australian Equities	10%	50%
International Equities	10%	50%
Property	0%	20%
Fixed Income	10%	55%
Cash	0%	30%
Infrastructure	0%	20%
Commodities	0%	10%
Other Alternatives	0%	20%

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

[^] Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

[#] The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements.

Blended Balanced

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 year periods.

Suitability: Suitable for investors who are seeking to build wealth over the medium to long term and are willing to accept the possibility of negative returns over the shorter term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 5 years before it meets its objectives.

Investment strategy: The option is typically exposed to a diversified option mix of around 70% growth investments and around 30% defensive investments[^]. The option may be exposed to derivatives.

Investment fee: 0.44% p.a.

Estimated Indirect Costs: 0.40% p.a.

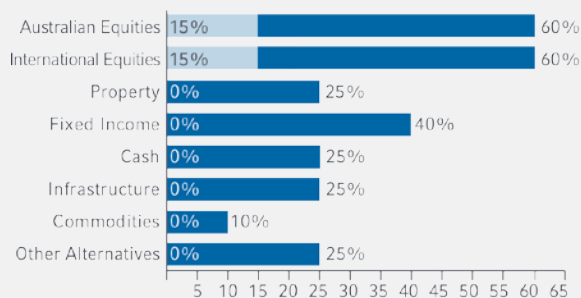
Risk level:

Risk level for the time invested

Short term	Long term
High	Low

Estimated number of negative annual returns over any 20 year period: Approx 4 to 5

Asset allocation ranges[#]:



Balanced

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 year periods.

Suitability: Suitable for investors who are seeking some capital growth over the medium term and are willing to accept the possibility of negative returns over the shorter term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 5 years before it meets its objectives.

Investment strategy: The option is typically exposed to a diversified option mix of around 70% growth investments and around 30% defensive investments[^]. The option may be exposed to derivatives.

Investment fee: 0.52% p.a.

Estimated Indirect Costs: 0.24% p.a.

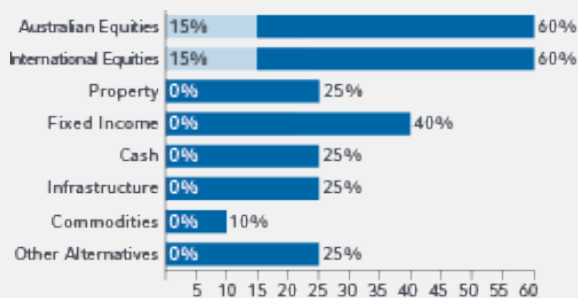
Risk level:

Risk level for the time invested

Short term	Long term
High	Low

Estimated number of negative annual returns over any 20 year period: Approx 4 to 5

Asset allocation ranges[#]:



* CPI stands for Consumer Price Index, which is used as a measure of inflation.

[^] Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

[#] The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements.

MySuper

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 and 10 year periods.

Suitability: Suitable for investors who are seeking to build wealth over the medium to long term and are willing to accept the possibility of negative returns over the shorter term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 5 years before it meets its objectives.

Investment strategy: The option is typically exposed to a diversified option mix of around 70% growth investments and around 30% defensive investments[^]. The option may be exposed to derivatives.

Investment fee: 0.36% p.a.

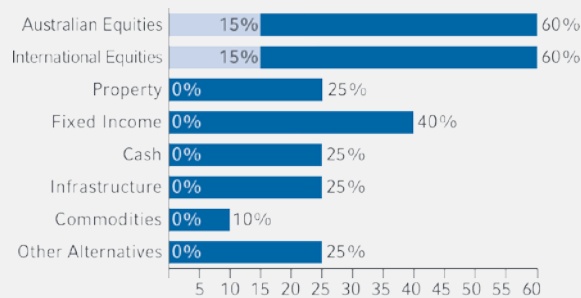
Estimated Indirect Costs: 0.29% p.a.

Risk level:
Risk level for the time invested

Short term	Long term
High	Low

Estimated number of negative annual returns over any 20 year period: Approx 4 to 5

Asset allocation ranges[#]:



Growth

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 4.0% per annum, measured over rolling 5 year periods.

Suitability: Suitable for investors who are seeking to build wealth over the long term and are willing to accept the possibility of negative returns over the short to medium term..

Minimum investment timeframe: Be prepared to stay invested in this option for at least 6 years before it meets its objectives.

Investment strategy: The option is typically exposed to a diversified option mix of around 90% growth investments and around 10% defensive investments[^]. The option may be exposed to derivatives.

Investment fee: 0.61% p.a.

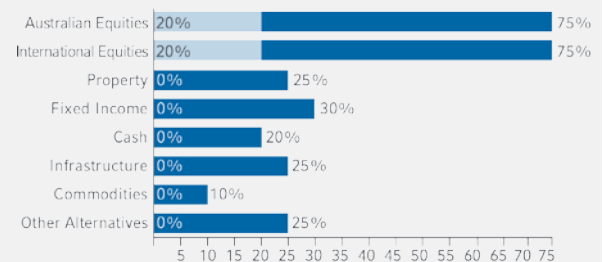
Estimated Indirect Costs: 0.26% p.a.

Risk level:
Risk level for the time invested

Short term	Long term
High	Low

Estimated number of negative annual returns over any 20 year period: Approx 5

Asset allocation ranges[#]:



* CPI stands for Consumer Price Index, which is used as a measure of inflation.

[^] Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

[#] The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements.

High Growth

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 4.5% per annum, measured over rolling 5 year periods.

Suitability: Suitable for investors who are seeking to build wealth over the long term and are willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Investment strategy: The option is typically fully exposed to a diversified option of growth investments[^]. The option may be exposed to derivatives.

Investment fee: 0.64% p.a.

Estimated Indirect Costs: 0.30% p.a.

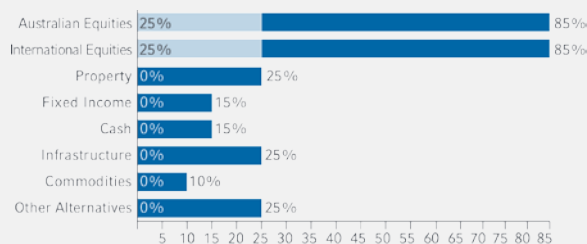
Risk level:

Risk level for the time invested

Short term	Long term
High	Low

Estimated number of negative annual returns over any 20 year period: Approx 5 to 6

Asset allocation ranges[#]:



* CPI stands for Consumer Price Index, which is used as a measure of inflation.

[^] Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

[#] The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements.

3.11. Outcome-oriented investment options

Multi-asset Income Strategy

Investment return objective: To provide a return (after costs and tax) exceeding the option’s performance benchmark over the short to medium term with a focus on income and risk management.

Suitability: Suitable for investors who require income and whose most important consideration is having a low chance of a negative return.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 3 years before it meets its objectives.

Benchmark: CPI* + 2% per annum

Investment strategy: The option is diversified across a range of asset classes, including equities, fixed income and alternatives, with a dynamic approach to asset allocation[^]. Derivatives may be used to implement investment strategies.

Investment fee: 0.66% p.a.

Estimated Indirect Costs: 0.18% p.a.

Risk level:
Risk level for the time invested

Short term	Long term
Medium	Medium to High

Estimated number of negative annual returns over any 20 year period: Approx 2 to 3

Asset allocation ranges[#]:

Asset Class	Minimum	Maximum
Australian Equities	0%	50%
International Equities	0%	50%
Fixed Income	5%	90%
Cash	5%	90%
Infrastructure	0%	30%
Commodities	0%	30%
Other Alternatives	0%	50%

Multi-asset Growth Strategy

Investment return objective: To provide a return (after costs and tax) exceeding the option’s performance benchmark over the medium to long term.

Suitability: Suitable for investors who are seeking to build wealth over the medium to long term and are willing to accept the possibility of negative returns over the shorter term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 5 years before it meets its objectives.

Benchmark: CPI* + 4% per annum

Investment strategy: The option is diversified across a range of asset classes, including equities, fixed income and alternatives, with a dynamic approach to asset allocation[^]. Derivatives may be used to implement investment strategies.

Investment fee: 0.76% p.a.

Estimated Indirect Costs: 0.22% p.a.

Risk level:
Risk level for the time invested

Short term	Long term
Medium to High	Medium

Estimated number of negative annual returns over any 20 year period: Approx 3 to 4

Asset allocation ranges[#]:

Asset Class	Minimum	Maximum
Australian Equities	0%	60%
International Equities	0%	60%
Fixed Income	0%	80%
Cash	0%	80%
Infrastructure	0%	30%
Commodities	0%	30%
Other Alternatives	0%	60%

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

[^] Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

[#] The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements.

3.12. Sector investment options

Australian Cash	Australian Cash Enhanced ~								
<p>Investment return objective: Earn a return in line with the Reserve Bank cash rate target, before tax and after costs, over rolling 1 year periods. Earn a return broadly in line with inflation over the long-term, before tax and after costs.</p>	<p>Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.</p>								
<p>Suitability: Suitable for investors seeking cash-like returns who have a short investment horizon.</p>	<p>Suitability: Suitable for investors seeking capital stability, low variability of returns and who have a short investment horizon.</p>								
<p>Minimum investment timeframe: Be prepared to stay invested in this option for at least 0 to 1 year before it meets its objectives.</p>	<p>Minimum investment timeframe: Be prepared to stay invested in this option for at least 1 year before it meets its objectives.</p>								
<p>Benchmark: Bloomberg AusBond Bank Bill Index</p>	<p>Benchmark: Bloomberg AusBond Bank Bill Index</p>								
<p>Investment strategy: The option is predominantly exposed to assets such as bank deposits, money market instruments (including but not limited to bank bills and certificates of deposit).</p>	<p>Investment strategy: The option is predominantly exposed to assets such as bank deposits, money market instruments (including but not limited to bank bills and certificates of deposit), corporate floating rate notes and asset backed and mortgage backed securities. The option may also be exposed to fixed rate corporate debt, derivatives and non-Australian dollar denominated cash and cash equivalent securities. Underlying foreign currency exposures will be largely hedged back to Australian dollars.</p>								
<p>Investment fee: 0.16% p.a.</p>	<p>Investment fee: 0.25% p.a.</p>								
<p>Estimated Indirect Costs: 0.08% p.a.</p>	<p>Estimated Indirect Costs: 0.08% p.a.</p>								
<p>Risk level: <i>Risk level for the time invested</i></p>	<p>Risk level: <i>Risk level for the time invested</i></p>								
<table border="1"> <thead> <tr> <th data-bbox="204 1429 480 1464">Short term</th> <th data-bbox="480 1429 756 1464">Long term</th> </tr> </thead> <tbody> <tr> <td data-bbox="204 1464 480 1509">Very Low</td> <td data-bbox="480 1464 756 1509">Very High</td> </tr> </tbody> </table>	Short term	Long term	Very Low	Very High	<table border="1"> <thead> <tr> <th data-bbox="874 1429 1150 1464">Short term</th> <th data-bbox="1150 1429 1426 1464">Long term</th> </tr> </thead> <tbody> <tr> <td data-bbox="874 1464 1150 1509">Very Low</td> <td data-bbox="1150 1464 1426 1509">Very High</td> </tr> </tbody> </table>	Short term	Long term	Very Low	Very High
Short term	Long term								
Very Low	Very High								
Short term	Long term								
Very Low	Very High								
<p>Estimated number of negative annual returns over any 20 year period: Approx less than 0.5</p>	<p>Estimated number of negative annual returns over any 20 year period: Approx less than 0.5</p>								

~ May hold investments outside of Australia, please read the Investment strategy section.

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

^ Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements.

Australian Fixed Income ~

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking bond-like returns who do not have a long investment horizon and wish to limit the chance of negative returns over this horizon.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 3 years before it meets its objectives.

Benchmark: Bloomberg AusBond Composite 0+ Yr Index

Investment strategy: The option is predominantly exposed to Australian issued government, quasi-government and corporate fixed income securities. The option may also be exposed to derivatives, debt securities issued by supranationals and non-Australian governments, agencies and corporates, as well as structured credit securities including mortgage and asset backed securities. The option from time to time may be exposed to low grade or unrated debt securities, exchange traded funds, emerging markets and currency to a limited extent.

Investment fee: 0.46% p.a.

Estimated Indirect Costs: 0.07% p.a.

Risk level:*Risk level for the time invested*

Short term	Long term
Low to Medium	High

Estimated number of negative annual returns over any 20 year period: Approx 1 to 2

Global Fixed Income - \$A Hedged

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking overseas bond-like returns who do not have a long investment horizon and wish to limit currency risks and the chance of negative returns over this horizon.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 3 years before it meets its objectives.

Benchmark: Barclays Global Aggregate Index (\$A Hedged)

Investment strategy: The option is predominantly exposed to debt securities issued by supranationals, international governments, quasi-governments, agencies and corporates as well as structured credit securities including mortgage and asset backed securities. The option may also be exposed to derivatives and to low grade or unrated debt securities, emerging markets and currency to a limited extent. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Investment fee: 0.51% p.a.

Estimated Indirect Costs: 0.18% p.a.

Risk level:*Risk level for the time invested*

Short term	Long term
Medium	High

Estimated number of negative annual returns over any 20 year period: Approx 2 to 3

~ May hold investments outside of Australia, please read the Investment strategy section.

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

^ Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements.

Australian Opportunities

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking share-like returns who have a long investment horizon. Investors must be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: S&P/ASX 300 Accumulation Index

Investment strategy: The option is predominantly exposed to shares and unit trusts listed or about to be listed on the Australian Securities Exchange. The option may also be exposed to derivatives and short selling.

Investment fee: 0.90% p.a.

Estimated Indirect Costs: 0.43% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	Low

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

International Property Securities - \$A Hedged

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking property-like returns who have a long investment horizon. Investors must be willing to accept the possibility of negative returns over the shorter term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: FTSE EPRA/NAREIT Developed Real Estate Index Net TRI - \$AH Hedged

Investment strategy: The option is predominantly exposed to property trusts and property related securities listed on stock exchanges in developed international markets. The option may also be exposed to securities which have exposure to properties in emerging markets. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Investment fee: 0.81% p.a.

Estimated Indirect Costs: 0.41% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	Low

Estimated number of negative annual returns over any 20 year period: Approx 7

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

^ Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements.

Global Opportunities

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking overseas share-like returns who have a long investment horizon and willing to accept some currency and emerging markets risks. Investors must also be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI ACWI Index – Net

Investment strategy: The option is predominantly exposed to a broad range of international shares listed on stock exchanges in developed and emerging international markets. The option may also be exposed to derivatives and emerging market equity securities.

Investment fee: 0.91% p.a.

Estimated Indirect Costs: 0.16% p.a.

Risk level:*Risk level for the time invested*

Short term	Long term
High	Low

Estimated number of negative annual returns over any 20 year period: Approx 5 to 6

Global Opportunities - \$A Hedged

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking overseas share-like returns who have a long investment horizon and willing to accept some emerging markets risk but wish to limit currency risk. Investors must also be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI ACWI Index – 100% Hedged to AUD – Net

Investment strategy: The option is predominantly exposed to a broad range of international shares listed on stock exchanges in developed and emerging international markets. The option may also be exposed to derivatives and emerging market equity securities. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Investment fee: 0.93% p.a.

Estimated Indirect Costs: 0.28% p.a.

Risk level:*Risk level for the time invested*

Short term	Long term
High	Low

Estimated number of negative annual returns over any 20 year period: Approx 5 to 6

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

^ Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements.

Emerging Markets

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking emerging overseas share-like returns who have a long investment horizon and are willing to accept currency and emerging markets risks. Investors must also be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI Emerging Markets Index – Net

Investment strategy: The option is predominantly exposed to shares listed on stock exchanges in emerging markets. The option may also have exposure to shares listed on stock exchanges in countries which are considered ‘frontier’ or ‘pre-emerging’ and to shares listed on developed markets’ stock exchanges where the issuer derives a material proportion of its revenue from the emerging markets.

Investment fee: 1.25% p.a.

Estimated Indirect Costs: 0.28% p.a.

Risk level:*Risk level for the time invested*

Short term	Long term
Very High	Medium

Estimated number of negative annual returns over any 20 year period: Approx 7

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

^ Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements.

3.13. Responsible investment options

Responsible Australian Shares

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking share-like returns who have a long investment horizon, and who wish to invest according to socially responsible standards. Investors must be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: S&P/ASX 300 Accumulation Index

Investment strategy: The option is predominantly exposed to shares or unit trusts listed or about to be listed on the Australian Securities Exchange. In selecting shares or unit trusts, consideration is given to one or more socially responsible standards (e.g. social, ethical or environmental standards).

Investment fee: 1.33% p.a.

Estimated Indirect Costs: 0.03% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	Low

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

Responsible Global Shares

Investment return objective: Earn a return in line with the benchmark, before costs and tax, over rolling 5 year periods.

Suitability: Suitable for investors seeking overseas share-like returns who have a long investment horizon and are willing to accept some currency and emerging markets risks. The option may suit investors who value environmental, social and governance (ESG) considerations in investment making process, including those particularly concerned with climate change risk. Investors must be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI ACWI ex Australia Index Net

Investment strategy: The option is predominantly exposed to a broad range of international shares listed on stock exchanges in developed and emerging international markets. The option is invested in a fund that will maintain a reduced carbon exposure compared to the benchmark, whilst also increasing exposure to renewable energy and taking into account other ESG considerations such as the exclusion of controversial weapons, uranium and tobacco companies. The option may also be exposed to derivatives.

Investment fee: 0.74% p.a.

Estimated Indirect Costs: 0.13% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	Low

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

* Off-market buy-back and capital gains tax (CGT) adjustments calculated by GBST.

3.14. Third-party investment options

Third Party Indexed Australian Shares

Investment return objective: Earn a return in line with the benchmark, before costs and tax, over rolling 5 year periods.

Suitability: Suitable for investors seeking share-like returns who have a long investment horizon. Investors must also be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: S&P/ASX 300 Accumulation Index.

Investment strategy:

The option is predominantly exposed to shares and unit trusts listed or about to be listed on the Australian Securities Exchange. The option is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The option may also be exposed to derivatives.

Investment fee: 0.23% p.a.

Estimated Indirect Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	Low

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

Third Party Indexed Global Shares

Investment return objective: Earn a return in line with the benchmark, before costs and tax, over rolling 5 year periods.

Suitability: Suitable for investors seeking overseas share-like returns who have a long investment horizon and are willing to accept some currency risks. Investors must also be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI World ex-Australia (with net dividends reinvested) in Australian dollars Index

Investment strategy:

The option is predominantly exposed to a broad range of international shares listed on stock exchanges in developed international markets. The option is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The option may also be exposed to derivatives.

Investment fee: 0.23% p.a.

Estimated Indirect Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	Low

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

Third Party Indexed Global Shares – \$A Hedged

Investment return objective: Earn a return in line with the benchmark, before costs and tax, over rolling 5 year periods.

Suitability: Suitable for investors seeking overseas share-like returns who have a long investment horizon but wish to limit currency risks. Investors must be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI World ex-Australia (with net dividends reinvested) hedged into AUD Index

Investment strategy: The option is predominantly exposed to a broad range of international shares listed on stock exchanges in developed international markets. The option is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The option may also be exposed to derivatives. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Investment fee: 0.23% p.a.

Estimated Indirect Costs: 0.07% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	Low

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

4. Additional explanation of investment fees and costs

For more information on Fees and Costs *not related* to the investment options please refer to your Insurance, Fees and Costs Guide.

4.1. Investment fees and indirect costs

Superannuation funds can invest in assets directly or via other managed funds. The fees and costs incurred by the Trustee to invest the assets of the super fund can be split into Investment Fees and indirect costs.

Investment Fees are generally the fees payable for the exercise of care and expertise and the costs (other than indirect costs) relating to the investment of the Fund's assets. Indirect costs are generally any amount the Trustee knows, or estimates, will reduce a portfolio's returns because the amount will be met from the assets of the super fund or the assets of the underlying managed funds.

It is important to remember that the Investment Fees and indirect costs are not deducted from your account but are factored into the calculation of the investment returns of each portfolio.

The table below shows the current Investment Fee and the indirect costs that were incurred to 30 June 2018 and include some estimated numbers. It is important to note that the indirect costs will vary from year to year.

Investment Option	Investment Fee (% p.a.)	Estimated Indirect Cost Ratio ³		Total Investment Fees and Estimated Indirect Costs (% p.a.)
		Performance-Related Fees (% p.a.)	Estimated Other Indirect Costs ⁴ (% p.a.)	
MySuper	0.36	0.06	0.23 includes: Explicit Transaction Cost of 0.08 OTC derivatives costs of 0.03	0.65
Defensive	0.48	0.00	0.21 includes: Explicit Transaction Cost of 0.08 OTC derivatives costs of 0.03	0.69
Diversified 50	0.50	0.01	0.24 includes: Explicit Transaction Cost of 0.12 OTC derivatives costs of 0.03	0.75
Blended Balanced	0.44	0.00	0.40 includes: Explicit Transaction Cost of 0.25 OTC derivatives costs of 0.03	0.84
Balanced	0.52	0.02	0.22 includes: Explicit Transaction Cost of 0.08 OTC derivatives costs of 0.04	0.76
Growth	0.61	0.02	0.24 includes: Explicit Transaction Cost of 0.09 OTC derivatives costs of 0.03	0.87

³ These values include an Operational Risk Reserve accrual of 0.00%.

⁴ For more information regarding the Transaction Costs see the Transaction Costs Table below.

High Growth	0.64	0.03	0.27 includes: Explicit Transaction Cost of 0.12 OTC derivatives costs of 0.03	0.94
Multi-asset Income Strategy	0.66	0.00	0.18 includes: Explicit Transaction Cost of 0.06 OTC derivatives costs of 0.03	0.84
Multi-asset Growth Strategy	0.76	0.00	0.22 includes: Explicit Transaction Cost of 0.09 OTC derivatives costs of 0.03	0.98
Australian Cash	0.16	0.00	0.08 includes: Explicit Transaction Cost of 0.00 OTC derivatives costs of 0.00	0.24
Australian Cash Enhanced	0.25	0.00	0.08 includes: Explicit Transaction Cost of 0.00 OTC derivatives costs of 0.00	0.33
Australian Fixed Income	0.46	0.00	0.07 includes: Explicit Transaction Cost of 0.01 OTC derivatives costs of 0.01	0.53
Global Fixed Income – \$A Hedged	0.51	0.00	0.18 includes: Explicit Transaction Cost of 0.04 OTC derivatives costs of 0.09	0.69
Australian Opportunities	0.90	0.10	0.33 includes: Explicit Transaction Cost of 0.23 OTC derivatives costs of 0.00	1.33
International Property Securities –\$A Hedged	0.81	0.00	0.41 includes: Explicit Transaction Cost of 0.25 OTC derivatives costs of 0.06	1.22
Global Opportunities	0.91	0.00	0.16 includes: Explicit Transaction Cost of 0.05 OTC derivatives costs of 0.01	1.07
Global Opportunities – \$A Hedged	0.93	0.00	0.28 includes: Explicit Transaction Cost of 0.08 OTC derivatives costs of 0.13	1.21
Emerging markets	1.25	0.00	0.28 includes: Explicit Transaction Cost of 0.12 OTC derivatives costs of 0.01	1.53
Responsible Australian Shares	1.33	0.00	0.03 includes: Explicit Transaction Cost of 0.01 OTC derivatives costs of 0.00	1.36
Responsible Global Shares	0.74	0.00	0.13 includes: Explicit Transaction Cost of 0.05 OTC derivatives costs of 0.00	0.87
Third Party Indexed Australian Shares	0.23	0.00	0.00 includes: Explicit Transaction Cost of 0.00 OTC derivatives costs of 0.00	0.23

Third Party Indexed Global Shares	0.23	0.00	0.00 includes: Explicit Transaction Cost of 0.00 OTC derivatives costs of 0.00	0.23
Third Party Indexed Global Shares – \$A Hedged	0.23	0.00	0.07 includes: Explicit Transaction Cost of 0.01 OTC derivatives costs of 0.06	0.30

4.2. Performance-Related Fees

Performance-related fees may be charged by the underlying funds or the investment managers in the underlying funds if they meet specific investment performance targets.

Performance-related fees provide an incentive for investment managers and underlying funds to achieve superior performance.

Investment managers may earn a performance-related fee irrespective of a option's overall performance (see example below). A performance-related fee is only payable to the extent that past underperformance by the investment manager has been recovered.

Please note that past performance is not a reliable indicator of future performance and it is impossible to accurately forecast the performance-related fees that will be payable.

Performance-related fees are based on realised and unrealised gains. Therefore, a performance-related fee may be paid on unrealised gains that may never subsequently be realised. Performance-related fees are accrued daily. The table in Section 3.1 shows the performance-related fees for the options for the 12-month period to 30 June 2018.

4.3. Operational Risk Reserve (ORR)

The Operational Risk Reserve (ORR) is required by legislation to ensure there are funds available to the Trustee to rectify operational risks that cause a loss to members. The ORR is managed in accordance with the Trustee's ORFR Policy and is invested in accordance with the investment strategy formulated by the Trustee, which is reviewed on an ongoing basis. The size of the ORR will be reported each year in the Fund's Annual Report and will be reported in the annual audited financial statements.

4.4. OTC Derivatives

Over the Counter (OTC) derivatives are derivatives that are privately traded between counterparties. Derivatives are financial products whose value depends on the fluctuations in the value of the underlying financial asset. Examples of common OTC derivatives include Options, Swaps, and Forwards.

The main OTC derivative used in the Fund are Forwards, also known as Forward Contracts, which are agreements to buy or sell an asset at a specified price on a future date. OTC derivatives can also be used for hedging purposes, that is, to reduce the risk of adverse price movements of an asset. The costs to acquire OTC derivatives are included in the indirect costs of a super fund.

4.5. Transaction Costs

Transaction costs are referring to the transactional and operational costs incurred in the super fund and/or in the underlying managed funds.

The following transaction costs are Explicit Costs:

- Brokerage
- Buy-sell spreads
- Settlement costs (including custody costs)
- Clearing costs and
- Stamp duty on an investment transaction.

Implicit costs

Implicit costs are transaction costs which reflect the difference between the price paid for acquiring an asset and the price that would be payable if it were disposed of.

Buy-Sell Spread Recovery

Buy-sell spreads are not retained by the Trustee or the Fund's Investment Manager and are reinvested into the relevant investment option. The amount shown in the table below is the amount reinvested into the portfolio for the year ended 30 June 2018.

Net Transactional Costs

The net transaction costs equal the total transactional costs less the buy-sell spread recovery.

It is the estimated percentage by which the option's investment return has been reduced by transactional and operational costs.

Transaction Costs Table

The table below shows the estimated transaction costs applicable to each investment option. It is important to remember that these costs are not deducted from your account but are factored into the calculation of the investment returns of each option.

Investment option	Explicit Costs (% p.a.)	Implicit Costs (% p.a.)	Buy-Sell Spread Recovery (% p.a.)	Net Transactional Costs (% p.a.)
MySuper*	0.08	0.07	0.00	0.15
Defensive*	0.08	0.06	0.00	0.14
Diversified 50*	0.12	0.04	0.00	0.16
Blended Balanced	0.25	0.05	0.00	0.30
Balanced*	0.08	0.06	0.00	0.14
Growth*	0.09	0.05	0.00	0.14
High Growth*	0.12	0.07	0.00	0.19
Multi-asset Income Strategy*	0.34	0.12	-0.28	0.18
Multi-asset Growth Strategy*	0.42	0.13	-0.33	0.22
Australian Cash	0.00	0.00	0.00	0.00
Australian Cash Enhanced	0.00	0.00	0.00	0.00
Australian Fixed Income	0.01	0.06	0.00	0.07
Global Fixed Income – \$A Hedged	0.04	0.12	0.00	0.16
Australian Opportunities*	0.36	0.12	-0.13	0.35
International Property Securities –\$A Hedged	0.35	0.25	-0.10	0.50

* Also see Borrowing Costs

Investment option	Explicit Costs (% p.a.)	Implicit Costs (% p.a.)	Buy-Sell Spread Recovery (% p.a.)	Net Transactional Costs (% p.a.)
Global Opportunities	0.17	0.02	-0.12	0.07
Global Opportunities – \$A Hedged	0.13	0.04	-0.05	0.12
Emerging markets	0.57	0.05	-0.45	0.17
Responsible Australian Shares	0.36	0.06	-0.35	0.07
Responsible Global Shares	0.41	0.01	-0.36	0.06
Third Party Indexed Australian Shares	0.08	0.00	-0.08	0.00
Third Party Indexed Global Shares	0.06	0.00	-0.06	0.00
Third Party Indexed Global Shares – \$A Hedged	0.06	0.00	-0.05	0.01

Borrowing Costs

The table below shows the estimated borrowing costs for the year ended 30 June 2018, that reduced the value of some of the options over the last financial year. These costs were additional to the fees, indirect costs and other transaction costs.

Investment options	Borrowing Costs (% p.a.)
MySuper	0.02
Defensive	0.01
Diversified 50	0.01
Balanced	0.02
Growth	0.01
High Growth	0.01
Multi-asset Income Strategy	0.01
Multi-asset Growth Strategy	0.01
Australian Opportunities	0.01

4.6. Updated Indirect Costs and Performance-Related Fee Information

The indirect costs and performance-related fees as described above are based on the knowledge or reasonable estimate of the Trustee. These estimates may be based on a number of factors including using any (where relevant), previous financial year information, information provided by managers of underlying funds through which the Fund invests, information gathered by the Trustee or its Investment Manager in

making decisions about acquiring or disposing of an investment, including information about costs of similar investments or in similar markets in which the Fund invests, we have made inquiries and undertaken research into the typical costs of the relevant kind of investment and estimated the costs based on the amounts the Trustee would incur if we were to make the investments ourselves. As such, the fees and costs may differ and are subject to change from time to time. Updated information that is not materially adverse to members will be updated online at russellinvestments.com.au/trusteerequireddisclosure or you may obtain a paper copy of any updated information from us free of charge on request.

4.7. Asset classes

The asset classes may be exposed to, but not limited to, the following types of investments:

Asset Class	Types of investments
Australian Equities	Australian listed and unlisted equity-type securities, listed investment companies and investment trusts, Australian listed property-related securities, Australian equity type derivatives and managed investment schemes that provide exposure to any of the aforementioned. This asset class includes common shares, preference shares and units
International Equities	International listed and unlisted equity type securities, listed investment companies and investment trusts, international listed property-related securities, international equity type derivatives and managed investment schemes that provide exposure to any of the aforementioned. This asset class includes common shares, preference shares and units.
Property	Australian and international unlisted property funds and hybrid property-type vehicles. This asset class represents an indirect investment in real estate where the earnings and capital value are dependent on cash flows generated by real estate, through either sale or rental income.
Fixed Income	Debt securities issued by supranationals, Australian and international governments, quasi-governments, government agencies, and corporates and structured credit securities including mortgage and asset-backed securities, fixed interest-type derivatives and managed investment schemes that provide exposure to any of the aforementioned. This asset class represents an exposure to a loan, placement or debt security. Loans are financial assets that are created when a creditor lends funds directly to a debtor, and are evidenced by documents that are not negotiable. Placements are liabilities of entities not described as authorised deposit-taking institutions, e.g. State treasuries. Debt securities are securities that represent borrowed funds which must be repaid by the issuer with defined terms including the notional amount (amount borrowed), an identifiable return and maturity/renewal date. Includes short- and long-term debt securities.
Cash	Cash deposits and money market securities (including but not limited to, bank bills and certificates of deposit), corporate floating rate notes, interest rate swap contracts and managed investment schemes that provide exposure to any of the aforementioned. This asset class represents an exposure to cash on hand and demand deposits, as well as cash equivalents. Cash equivalents represent short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Infrastructure	Listed and unlisted securities as well as derivatives that represents an exposure to the basic physical systems of a country, state or region including, but not limited to, transportation, communication, utilities, and public institutions.
Commodities	Listed and unlisted securities as well as derivatives that represent an exposure to natural resources that are either grown or extracted from the ground and are often used as inputs in the production of other goods or services.
Other Alternatives	Other Alternatives includes non-traditional asset sectors and strategies that do not fit within any of the asset classes listed above (e.g. hedge funds and long-short strategies, absolute return multi-asset strategies and volatility management strategies) and managed investment schemes that provide exposure to any of the aforementioned.

4.8. Unit pricing

Your account balance grows as contributions are made and as positive investment earnings are added. Fees and taxes, as well as investment losses, reduce your account balance. Every contribution made to your account is converted into units. The number of units you receive depends on the prevailing unit price. We declare unit prices for each investment option by taking into account the assets invested, the investment return, the tax payable (including such allowance as the Trustee considers appropriate for any deferred tax asset that has accrued), imputation credits, the relevant fees and provisions for any other distributions or capital gains. Generally, one unit price is declared each business day for each investment option and the same unit price is used for buying and selling.

How unit prices work

The unit price fluctuates in line with the market value of the assets of each investment option. If market values are going up, the unit price rises, and if market values are declining, the unit price falls. If the unit price increases relative to the original unit price at which you received your units, you have made an investment gain and your account balance rises accordingly. If the unit price decreases, you have made an investment loss and your account balance will fall.

Suspension of transacting

During periods of extreme movements in the market or where a unit price cannot be struck, the Plan may suspend transaction processing, consistent with the unit pricing policy that applies to the Fund. Russell Investments has an experienced unit pricing committee that reports to the Trustee and oversees all unit pricing issues, including the implementation of the unit pricing policy. A suspension in the processing of transactions is designed to prevent some members from inappropriately benefiting from 'market timing' to the disadvantage of other members. The Plan monitors movements in the market on a daily basis. If there is a movement of more than a specified percentage, processing of transactions may be suspended. The main transaction types that are suspended in these periods are allocation of contributions to members' accounts, investment switches, cash benefit payments and rollovers to other funds. Any contributions that cannot be allocated to members are held in a bank account in the Plan's name, as required by legislation, and the interest earned on this account is used to benefit all members. Any suspension generally lasts no more than one day, after which unit prices are calculated based on movement in the relevant benchmark index, until such time as the market stabilises. The unit pricing committee may decide to continue the processing of transactions, notwithstanding market volatility, if it considers this is the best approach to take. Any suspension will be advised to members via the Plan's website.

The impact of changes in the unit price

If \$100 went into your account on 1 January and the unit price was \$2.00 you would have purchased 50 units. If the unit price dropped in February to \$1.90, the \$100 contribution has lost 5% of its initial value and is now worth \$95. However, if the unit price goes up to \$2.20 in March, you still have 50 units but each is worth more, so overall your investment will have gained 10% on its original value. The example in the table below is based on a single contribution and assumes that a buy-sell spread does not apply.

Date	Contribution	Unit price	Units bought	Value	Gain/Loss (relative to purchase price)
January	\$100	\$2.00	50	\$100	–
February	–	\$1.90	–	\$95	-5%
March	–	\$2.20	–	\$110	10%

In practice, there will probably be regular contributions to your account. Each of these contributions will be converted into units at the prevailing unit price. A fall in the unit price will mean that your existing units are worth less, however it also means that the same dollar amount of contribution will buy more units than when the price was higher. This results in a greater potential for investment gain if the unit price picks up again. The table below illustrates the effect a fluctuating unit price has on the number of units you receive, assuming a regular contribution of \$100 a month.

Date	Contribution	Unit price	Units bought	Total units held	Account balance
January	\$100	\$2.00	50	50	\$100
February	\$100	\$1.90	52.63	102.63	\$195
March	\$100	\$2.20	45.46	148.09	\$325.80
Total	\$300	–	148.09	–	–

4.9. Buy-sell spreads

Buy/sell spreads apply to the following investment options:

- Multi-asset Income Strategy
- Multi-asset Growth Strategy
- Australian Cash Enhanced
- Australian Fixed Income
- Global Fixed Income – \$A Hedged
- Australian Opportunities
- International Property Securities – \$A Hedged
- Global Opportunities
- Global Opportunities – \$A Hedged
- Emerging markets
- Responsible Australian Shares
- Responsible Global Shares
- Third Party Indexed Australian Shares
- Third Party Indexed Global Shares
- Third Party Indexed Global Shares – \$A Hedged.

Australian Cash has a nil buy-sell spread

The following investment options will not have a buy-sell spread. This means you can move between these options, generally, without any transaction costs.

- MySuper
- High Growth
- Growth
- Blended Balanced
- Balanced
- Diversified 50
- Defensive

However, if you make more than five switches in or out of the diversified options⁵ listed above in a financial year, any subsequent switches in or out of those diversified options may attract a fee of 0.20% of the switched amount.

To find out the buy/sell spread of investment options, please visit russellinvestments.com.au/iQbuysellspread

Buy-sell Spread Example

The tables below provide a hypothetical example of how the cost of the buy-sell spread can affect a \$10,000 application for units that is subsequently withdrawn from the Global Opportunities investment option. For simplicity, the daily unit price for the option is assumed to be constant at \$1.00 per unit.

Assuming the Global Opportunities option had a buy spread of 0.20% and a sell spread of 0.15%. This means that the 'entry price' of a unit would be 0.20% higher than the daily unit price (\$1.0020 per unit), and the 'exit price' would be 0.15% lower than the daily unit price (\$0.9985 per unit).

On a \$10,000 application at the entry price of 1.0020, a member would receive 9,980 units. These units would be worth \$9,980 at the daily unit price of (\$1.00 per unit).

⁵ That is, the diversified options that do not have a buy-sell spread.

Application amount	Entry price (daily unit price plus buy spread)	No. of units issued
\$10,000	\$1.0020 per unit $\{\$1 + (\$1 \times 0.0020)\}$	9,980

On redemption, of these 9,980 units at exit price of \$0.9985 per unit the member would receive approximately \$9,965.

No of Units Redeemed	Entry price (daily unit price plus buy spread)	Withdrawal Amount
9,980	\$0.9985 per unit $\{\$1 - (\$1 \times 0.0015)\}$	\$9,965

The example shows that the total cost of the 0.20% buy spread and a 0.15% sell spread for a \$10,000 application is approximately \$35 as the member only receives \$9,965 on withdrawal.

Please note, this example is provided for illustrative purposes only. The actual cost to you of the buy-sell spread depends on the amount you invest or withdraw and the option(s) you have chosen

5. Labour standards, environmental, social and ethical considerations

Russell Investments employs a disaggregated ranking system in its manager research process that incorporates factors believed to impact an investment manager's ability to generate returns for clients. Russell Investments has an ethical, social and governance (ESG) rank, which takes into account labour standards and environmental considerations, formally incorporated into the manager evaluation process to determine whether the investment manager appropriately assesses the risk and return impacts of ESG issues on individual option holdings and the overall option construction process. This rank is then incorporated into the overall view of the investment manager.

Neither the Trustee nor Russell Investments has a formal process for monitoring an underlying manager/fund's compliance with its stated ethical investments methodology identified during the ESG process. Russell Investments does, however, conduct periodic reviews of all of its managers and funds.

5.1. Sector options

The Sector options listed below do not knowingly invest directly in companies which:

- a) produce components that are key and dedicated to the production of anti-personnel mines and/or cluster munitions;
- b) manufacture tobacco products; or
- c) are involved, either directly or indirectly, in the production of the core nuclear weapon system, or components/services of the core nuclear weapon system, that are considered tailor-made and essential for the lethal use of the weapon.
 - Global Opportunities
 - Global Opportunities – \$A Hedged

Emerging Markets option

The Emerging Markets option excludes investment in companies that produce components that are key and dedicated to the production of anti-personnel mines and/or cluster munitions.

Responsible Global Shares option

The Responsible Global Shares option considers the value and measure of carbon, green energy and environmental, social and governance characteristics. The option does not knowingly invest directly in companies which:

- a) produce components that are key and dedicated to the production of anti-personnel mines and/or cluster munitions;
- b) manufacture or participate in direct distribution of tobacco products;
- c) are involved, either directly or indirectly, in the production of the core nuclear weapon system, or components/services of the core nuclear weapon system, that are considered tailor-made and essential for the lethal use of the weapon;
- d) are involved in uranium activities according to SIC 1094 and NAICS; and
- e) generate more than 20% of their revenue from coal-related activities.

Russell Investments has appointed a third party ESG data provider to conduct research on behalf of Russell Investments. The third party ESG data provider identifies excluded securities based on the criteria above. The exclusion list is updated each calendar quarter and provided to investment managers accordingly. Where a stock they hold appears on the exclusion list, the stock is required to be sold within 30 business days.

Responsible Australian Shares option

With respect to the Responsible Australian Shares option, the Trustee and Russell Investments takes into account labour standards and environmental, social and ethical considerations when deciding which

underlying investment managers/funds will be engaged to manage the investments. The Trustee and Russell Investments will only engage an underlying manager/fund if that manager/fund adheres to an acceptable ethical investments methodology. An acceptable ethical investments methodology will generally require the underlying manager/fund to:

- a) negatively screen for companies involved in the production of socially irresponsible products such as tobacco, gaming and weapons, and companies with environmental or human rights prosecutions; and
- b) positively screen for companies with a 'sustainable' approach to the production of goods or services, environmental issues, employment practices, corporate governance and ethics.

5.2. Diversified options

The exclusions a), b) and c) described in the Sector options paragraph above applies to a portion of the following Diversified options:

- MySuper
- Defensive
- Diversified 50
- Balanced
- Blended Balanced
- Growth
- High Growth
- Multi-asset Income Strategy
- Multi-asset Growth Strategy

