

1 October 2020

# Investment Guide

Resource Super by Russell Investments

## JUMP TO

1. Risks of superannuation	2
2. How we invest your money	4
3. How the investment options invest	6
4. Additional explanation of fees and costs	23
5. Labour standards, environmental, social and ethical considerations	31

---

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 2020. This document provides additional general information for members in a Closed Category or Division in addition to the Super Facts Member Booklet. 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](https://russellinvestments.com.au/trusteerequireddisclosure). A paper copy of this information will be sent to any member, free of charge on request. RES\_PDS\_IBR\_InvestmentGuide\_V1F\_2010

# 1. Risks of superannuation

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

All investing involves risk. It's the trade-off for the return that investors seek. Assets with higher expected long-term returns generally carry a higher level of short-term risk. For example, shares and commodities have relatively higher risk and higher expected return than fixed interest and cash.

As with most investing, it is not guaranteed that you will make money. The value of your investment can go up or down with the value of investments of the options you are invested in.

Short-term fluctuations in the value of investments are common, particularly with respect to shares and commodities. Different types of investments perform differently at different times and carry varying forms of risks, which is why we recommend a diversified investment mix.

The relative risk of each option depends on its asset allocation. The risk/return graph below indicates the relative position of each major asset class.

Position on risk/return spectrum



Source: Russell Investment Management Ltd.

Risks may result in a loss. You could receive back less than you invested and there is no guarantee that you will receive any positive investment returns. Also remember that past returns are not a reliable indicator of future returns.

## 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.

## Standard Risk Measure

We also use the Standard Risk Measure to describe the risk that applies to each of our options. The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

A risk band and risk label, as outlined in the table below, is assigned to each option based on the estimated number of years of negative returns over any 20 year period is assigned to each option.

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

The risk level and the Standard Risk Measure are not a complete assessment of all forms of investment risk, for instance they do not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, they do not take into account the impact of administration fees and tax on the likelihood of a negative return. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).

## Other risks to consider

There is a risk that your final superannuation benefit may not be enough to meet your retirement needs.

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 option.
- > **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.

## Managing risks

When assessing which options to invest in, we recommend you pay particular attention to the investment return objective, suitability, minimum investment timeframe, investment strategy and risk level sections provided for each option.

## 2. How we invest your money

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

### Default investment option

Resource Super is MySuper compliant.

If you don't make an investment choice, your account will be invested into the default GoalTracker investment option.

Members can invest in up to 23 investment options.

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 options are invested in Russell Investments unit trusts. Russell Investments appoints and manages the investment managers<sup>1</sup> who manage the assets of the Russell Investments unit trusts.

### Choosing your investments

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

#### Personalised investments

The GoalTracker investment option is the default MySuper option. GoalTracker will automatically invest your super based on information it knows about you (such as age), through a diversified portfolio invested across a range of asset classes. When you're younger, your investment strategy will have a higher allocation to growth assets to help grow your super balance. And as you approach retirement, it will increase your allocation to defensive assets to help protect your savings. By telling us more about you, we can further personalise your investment strategy to your circumstances with GoalTracker Plus at [russellinvestments.com.au/goaltrackerplus](https://russellinvestments.com.au/goaltrackerplus)

#### 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. For information on each of the Fund's investment options asset classes, performance, underlying investments and the investment managers of those investments, please refer to [russellinvestments.com/au/support/investing/performance](https://russellinvestments.com/au/support/investing/performance).

#### WARNING:

You must consider the likely investment return, the risk and your investment timeframe when choosing the option(s) into which you wish to invest.

#### Help to make a choice

To help you determine which investment option suits you - visit [russellinvestments.com.au/super](https://russellinvestments.com.au/super) for more information about investing and the latest returns for each of the options. 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.

<sup>1</sup> 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/support/investing/performance](https://russellinvestments.com/au/support/investing/performance) for the latest list of managers applicable to each of the Fund's investment options.

## 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. 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 option.

## Switching between investment options

You can switch between investment options at any time. Switches in the diversified options are generally free of charge<sup>2</sup> 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. It is important to note that if you are invested in the GoalTracker investment option you can not invest in multiple options. This means all of your future transactions (i.e. contributions, rollovers and deductions) and your account balance will be invested in the GoalTracker investment option<sup>3</sup>. 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 or you are invested in the GoalTracker option.

<sup>2</sup> 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.

<sup>3</sup> There are limited circumstances where a member may hold a balance in another investment option, such as ex-Defined Benefit members, who may also have an amount in the Australian Cash option.

## 3. How the investment options invest

### Personalised Option - GoalTracker

When you join, you'll be invested in our MySuper investment option GoalTracker, unless you make an investment choice. GoalTracker will automatically invest your super based on information it knows about you (such as age), through a diversified portfolio invested across a range of asset classes. When you're younger, your investment strategy will have a higher allocation to growth assets to help grow your super balance. And as you approach retirement, it will increase your allocation to defensive assets to help protect your savings. Refer to the table below. By telling us more about you, we can further personalise your investment strategy to your circumstances with GoalTracker Plus at [russellinvestments.com.au/goaltrackerplus](https://russellinvestments.com.au/goaltrackerplus)

### 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 options (x6)

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

### 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

### 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"><li>&gt; Australian Cash</li><li>&gt; Australian Floating Rate</li><li>&gt; Australian Fixed Income</li><li>&gt; Australian Opportunities</li></ul>	<ul style="list-style-type: none"><li>&gt; Global Fixed Income - \$A Hedged</li><li>&gt; International Property Securities - \$A Hedged</li><li>&gt; Global Opportunities</li><li>&gt; Global Opportunities - \$A Hedged</li><li>&gt; Emerging Markets</li></ul>

### 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)

---

- > Responsible Australian Shares
- > Responsible Global Shares

### 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)

---

- > Third-party Indexed Australian Shares
- > Third-party Indexed Global Shares
- > Third-party Indexed Global Shares - \$A Hedged

### 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.

### 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.

## Reading the investment disclosure

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

Balanced Growth					
<b>Investment return objective:</b>	To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 and 10 year periods.				
<b>Suitability:</b>	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.				
<b>Minimum investment timeframe:</b>	Be prepared to stay invested in this option for at least 5 years before it meets its objectives.				
<b>Investment strategy:</b>	The option is typically exposed to a diversified option mix of around 70% growth investments and around 30% defensive investments <sup>^</sup> . The option may be exposed to derivatives.				
<b>Investment fees and costs:</b>	0.85% p.a. comprised of : Investment fee: 0.64% Estimated indirect investment costs: 0.21%				
<b>Transaction Costs:</b>	0.12% p.a.				
<b>Risk level:</b>					
<b>Risk level for the time invested</b>					
	<table border="1"> <thead> <tr> <th>Short term</th> <th>Long term</th> </tr> </thead> <tbody> <tr> <td>High</td> <td>Low</td> </tr> </tbody> </table>	Short term	Long term	High	Low
Short term	Long term				
High	Low				
<b>Estimated number of negative annual returns over any 20 year period:</b>	Approx 4 to 5				
<b>Risk label:</b>	High				
<b>Risk band:</b>	6				
<b>Asset allocation ranges<sup>#</sup>:</b>					
Australian Equities	15% - 60%				
International Equities	15% - 60%				
Property	0% - 25%				
Fixed Income	0% - 45%				
Cash	0% - 20%				
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 fees and costs:

The Investment fee represents the fees and costs for the care and expertise related to the investment of the assets of the option. The estimated investment costs of an option includes all known and estimated indirect costs, expense recoveries and performance fees incurred by the Fund or the underlying funds/managers. The amount shown has been calculated to 30 June 2020.

### Transaction Costs:

The Transaction costs shown are the net costs incurred when buying and selling assets within each of the investment options. The amount shown has been calculated to 30 June 2020.

### 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

## Personalised Investment option - GoalTracker

GoalTracker Option	AGE	BELOW 40	41 - 50	51 - 55	56 - 60	60+
<b>Investment return objective<sup>1</sup>:</b> % above inflation p.a.		4.3%	4.3%	3.8% to 4.2%	3.3% to 3.7%	3.3%
<b>Standard risk measure<sup>2</sup>:</b> Estimated number of negative annual returns over any 20-year period		6 (High) 5 - 6	6 (High) 5 - 6	6 (High) 5 - 6	6 (High) 4 - 5	6 (High) 4 - 5
<b>Suitable for Investors seeking to build wealth over this term.</b> Investors willing to accept the possibility of negative returns over this term.		Long-term		Medium to Long-term <sup>3</sup>		
		Short to medium		Shorter-term <sup>3</sup>		
<b>Minimum investment timeframe (years):</b>		7	7	6 - 7	5 - 6	5
<b>Investment strategy<sup>4</sup>:</b>	The option is typically exposed to a diversified mix between growth and defensive investments as shown below (the option may be exposed to derivatives) <sup>7</sup> :					
<b>Growth investments:</b>		95	95	82.5 - 92.5 <sup>5</sup>	70 - 80 <sup>6</sup>	70
<b>Defensive investments:</b>		5	5	7.5 - 17.5	20 - 30	30
<b>Investment Fees &amp; Costs:</b> 0.59% p.a. comprised of:	Investment Fee: 0.45% p.a. and Estimated Indirect Costs: 0.14% p.a.					
<b>Transactions Costs:</b>	0.21% p.a. <sup>8</sup>					
	<b>Asset Allocation range<sup>7</sup></b>	<b>Range %</b>	<b>Range %</b>	<b>Range %</b>	<b>Range %</b>	<b>Range %</b>
	Australian Equities	20 - 80	20 - 80	20 - 70	20 - 70	10 - 60
	International Equities	20 - 80	20 - 80	20 - 80	20 - 70	10 - 60
	Property	0 - 20	0 - 20	0 - 20	0 - 20	0 - 20
	Fixed Income	0 - 30	0 - 30	0 - 30	0 - 50	10 - 50
	Cash	0 - 20	0 - 20	0 - 20	0 - 30	0 - 30
	Infrastructure	0 - 20	0 - 20	0 - 20	0 - 20	0 - 20
	Commodities	0 - 10	0 - 10	0 - 10	0 - 10	0 - 10
	Other Alternatives	0 - 20	0 - 20	0 - 20	0 - 20	0 - 20

- The objective is to earn a return, after costs and tax, which exceeds CPI by the % p.a. shown, measured over rolling 5 and 10 year periods. CPI stands for Consumer Price Index, which is used as a measure of inflation.
- Refer to the Investment Guide for more information, including the risk levels for each investment option.
- Medium to Long-term suitability and possibility of negative returns changes at age 58.
- The option may be exposed to derivatives. Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.
- Growth assets decrease by 2.5% each year from 92.5% at age 51 to 82.5% at age 55. Defensive assets increase by 2.5% each year from 7.5% at age 51 to 17.5% at age 55.
- Growth assets decrease by 2.5% each year from 80% at age 56 to 70% at age 60. Defensive assets increase by 2.5% each year from 20% at age 56 to 30% at age 60.
- The actual asset allocation may temporarily fall outside ranges stated in certain circumstances, such as asset transitions or extreme market movements.
- As part of the transition from the previous MySuper option to the The GoalTracker investment option, there was a transition of underlying assets during the three months from 28 March 2020. This was done to minimise the effect of movements in the investment markets. 0.09% of the transaction cost reported for the Goaltracker option in the table above relates to this one-off transition event.

Choose from 23 different options, including 'pre-mixed', 'personalised' or 'build-your-own' options as listed below.

PERSONALISED	DIVERSIFIED	OUTCOME-ORIENTED	THIRD PARTY	SECTOR	RESPONSIBLE
> GoalTracker (MySuper)	> Defensive > Diversified 50 > Blended Balanced > Balanced Growth > Growth > High Growth	> Multi-asset Income Strategy > Multi-asset Growth Strategy	> Third-party Indexed Australian Shares > Third-party Indexed Global Shares > Third-party Indexed Global Shares \$A Hedged	> Australian Cash > Australian Floating Rate > Australian Fixed Income > Australian Opportunities > Global Fixed Income - \$ Hedged > International Property Securities - \$A Hedged > Global Opportunities > Global Opportunities - \$ Hedged > Emerging Markets	> Responsible Australian Shares > Responsible Global Shares

## 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<sup>^</sup>. The option may be exposed to derivatives.

**Investment fees and costs:** 0.57% p.a. comprised of :

Investment fee: 0.45%

Estimated indirect investment costs: 0.12%

**Transaction Costs:** 0.07% p.a.

Risk level:

Risk level for the time invested

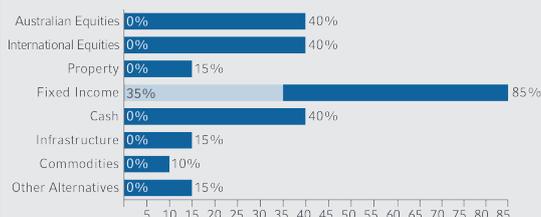
Short term	Long term
Medium	Medium to High

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

Risk label: Medium

Risk band: 4

Asset allocation ranges<sup>#</sup>:



### 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<sup>^</sup>. The option may be exposed to derivatives.

**Investment fees and costs:** 0.64% p.a. comprised of :

Investment fee: 0.50%

Estimated indirect investment costs: 0.14%

**Transaction Costs:** 0.13% p.a.

Risk level:

Risk level for the time invested

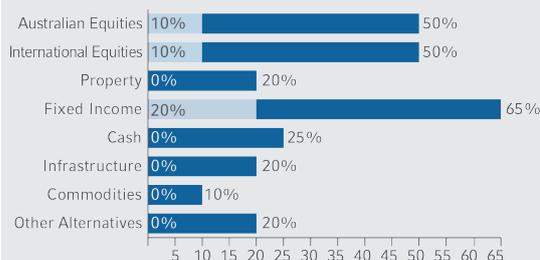
Short term	Long term
Medium to High	Medium

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

Risk label: Medium to High

Risk band: 5

Asset allocation ranges<sup>#</sup>:



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

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

<sup>#</sup> 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<sup>^</sup>. The option may be exposed to derivatives.

**Investment fees and costs:** 0.56% p.a. comprised of :

Investment fee: 0.44%

Estimated indirect investment costs: 0.12%

**Transaction Costs:** 0.09% p.a.

Risk level:

Risk level for the time invested

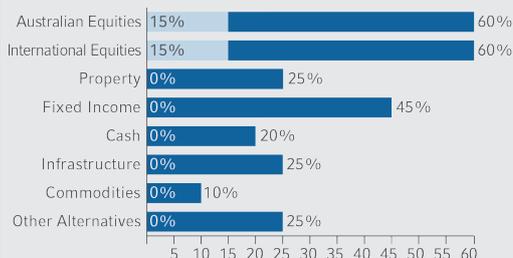
Short term	Long term
High	Low

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

Risk label: High

Risk band: 6

Asset allocation ranges<sup>#</sup>:



## Balanced Growth

**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<sup>^</sup>. The option may be exposed to derivatives.

**Investment fees and costs:** 0.85% p.a. comprised of :

Investment fee: 0.64%

Estimated indirect investment costs: 0.21%

**Transaction Costs:** 0.12% p.a.

Risk level:

Risk level for the time invested

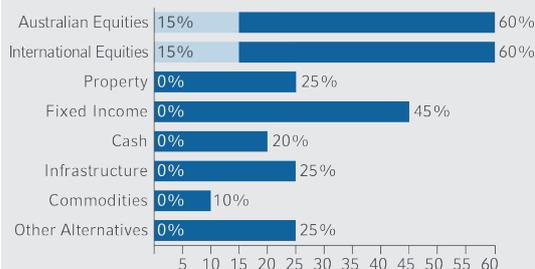
Short term	Long term
High	Low

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

Risk label: High

Risk band: 6

Asset allocation ranges<sup>#</sup>:



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

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

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

## 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<sup>^</sup>. The option may be exposed to derivatives.

**Investment fees and costs:** 0.81% p.a. comprised of :

Investment fee: 0.64%

Estimated indirect investment costs: 0.17%

**Transaction Costs:** 0.16% p.a

Risk level:

Risk level for the time invested

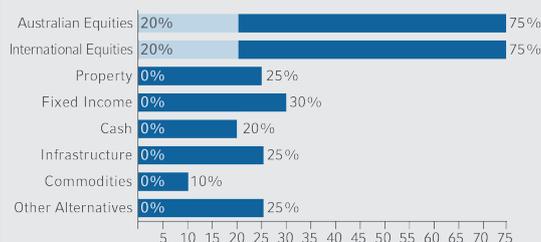
Short term	Long term
High	Low

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

Risk label: High

Risk band: 6

Asset allocation ranges<sup>#</sup>:



## 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<sup>^</sup>. The option may be exposed to derivatives.

**Investment fees and costs:** 0.81% p.a. comprised of :

Investment fee: 0.61%

Estimated indirect investment costs: 0.20%

**Transaction Costs:** 0.16% p.a.

Risk level:

Risk level for the time invested

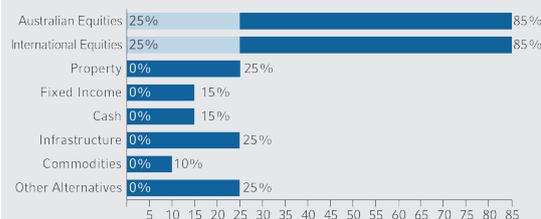
Short term	Long term
High	Low

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

Risk label: High

Risk band: 6

Asset allocation ranges<sup>#</sup>:



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

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

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

## 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<sup>\*</sup> + 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<sup>^</sup>. Derivatives may be used to implement investment strategies.

**Investment fees and costs:** 0.74% p.a. comprised of :

Investment fee: 0.66%

Estimated indirect investment costs: 0.08%

**Transaction Costs:** 0.07% p.a.

Risk level:

Risk level for the time invested

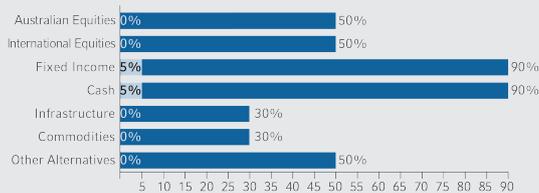
Short term	Long term
Medium	Medium to High

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

Risk label: Medium

Risk band: 4

Asset allocation ranges<sup>#</sup>:



### 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<sup>\*</sup> + 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<sup>^</sup>. Derivatives may be used to implement investment strategies.

**Investment fees and costs:** 0.85% p.a. comprised of :

Investment fee: 0.76%

Estimated indirect investment costs: 0.09%

**Transaction Costs:** 0.15% p.a.

Risk level:

Risk level for the time invested

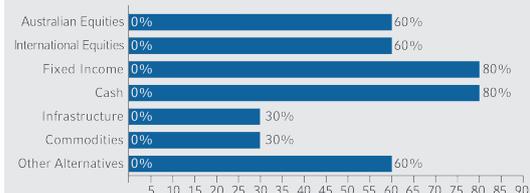
Short term	Long term
Medium to High	Medium

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

Risk label: Medium

Risk band: 5

Asset allocation ranges<sup>#</sup>:



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

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

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

## Sector investment options

### Australian Cash

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.

Suitability: Suitable for investors seeking cash-like returns who have a short investment horizon.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 0 to 1 year before it meets its objectives.

Benchmark: Bloomberg AusBond Bank Bill Index

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).

**Investment fees and costs:** 0.13% p.a. comprised of :

Investment fee: 0.07%

Estimated indirect investment costs: 0.06%

**Transaction Costs:** 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very Low	Very High

Estimated number of negative annual returns over any 20 year period: Approx less than 0.5

Risk label: Very Low

Risk band: 1

### Australian Floating Rate<sup>~</sup>

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

Suitability: Suitable for investors seeking capital stability, low variability of returns and who have a short investment horizon.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 1 year before it meets its objectives.

Benchmark: Bloomberg AusBond Bank Bill Index

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. The option may invest 10% to 40% in cash and 60% to 90% in corporate floating rate notes, asset backed and mortgage backed securities. Underlying foreign currency exposures will be largely hedged back to Australian dollars.

**Investment fees and costs:** 0.23% p.a. comprised of :

Investment fee: 0.15%

Estimated indirect investment costs: 0.08%

**Transaction Costs:** -0.10% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very Low	Very High

Estimated number of negative annual returns over any 20 year period: Approx less than 0.5

Risk label: Very Low

Risk band: 1

<sup>~</sup> May hold investments outside of Australia, please read the Investment strategy section. The assets invested in corporate floating rate notes, asset-based and mortgage-backed securities are a subset of the fixed income asset class.

## Australian Fixed Income<sup>Δ</sup>

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 fees and costs:** 0.41% p.a. comprised of :

Investment fee: 0.35%

Estimated indirect investment costs: 0.06%

**Transaction Costs:** -0.05% 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

Risk label: Low to Medium

Risk band: 3

## 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 fees and costs:** 0.59% p.a. comprised of :

Investment fee: 0.45%

Estimated indirect investment costs: 0.14%

**Transaction Costs:** -0.13% 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

Risk label: Medium

Risk band: 4

<sup>Δ</sup> May hold investments outside of Australia, please read the Investment strategy section.

## 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 fees and costs:** 1.23% p.a. comprised of :

Investment fee: 0.85%

Estimated indirect investment costs: 0.38%

**Transaction 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 6 to 7

Risk label: Very High

Risk band: 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 fees and costs:** 0.88% p.a. comprised of :

Investment fee: 0.70%

Estimated indirect investment costs: 0.18%

**Transaction Costs:** 0.17% 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

Risk label: Very High

Risk band: 7

## 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 fees and costs:** 1.02% p.a. comprised of :

Investment fee: 0.91%

Estimated indirect investment costs: 0.11%

**Transaction Costs:** 0.11% 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

Risk label: High

Risk band: 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 fees and costs:** 1.14% p.a. comprised of :

Investment fee: 0.93%

Estimated indirect investment costs: 0.21%

**Transaction Costs:** 0.10% 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

Risk label: High

Risk band: 6

## 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 fees and costs:** 1.38% p.a. comprised of :

Investment fee: 1.25%

Estimated indirect investment costs: 0.13%

**Transaction Costs:** -0.10% 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

Risk label: Very High

Risk band: 7

## 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 fees and costs:** 1.34% p.a. comprised of :

Investment fee: 1.33%

Estimated indirect investment costs: 0.01%

**Transaction Costs:** -0.02% 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

Risk label: Very High

Risk band: 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 fees and costs:** 0.84% p.a. comprised of :

Investment fee: 0.74%

Estimated indirect investment costs: 0.10%

**Transaction Costs:** -0.06% 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

Risk label: Very High

Risk band: 7

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

## 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.				
<b>Investment fees and costs:</b> 0.16% p.a. comprised of : Investment fee: 0.15% Estimated indirect investment costs: 0.01%				
<b>Transaction Costs:</b> -0.03% p.a.				
Risk level: Risk level for the time invested				
<table border="1"> <thead> <tr> <th>Short term</th> <th>Long term</th> </tr> </thead> <tbody> <tr> <td>Very High</td> <td>Low</td> </tr> </tbody> </table>	Short term	Long term	Very High	Low
Short term	Long term			
Very High	Low			
Estimated number of negative annual returns over any 20 year period: Approx 6 to 7				
Risk label: Very High				
Risk band: 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.				
<b>Investment fees and costs:</b> 0.16% p.a. comprised of : Investment fee: 0.15% Estimated indirect investment costs: 0.01%				
<b>Transaction Costs:</b> -0.02% p.a.				
Risk level: Risk level for the time invested				
<table border="1"> <thead> <tr> <th>Short term</th> <th>Long term</th> </tr> </thead> <tbody> <tr> <td>Very High</td> <td>Low</td> </tr> </tbody> </table>	Short term	Long term	Very High	Low
Short term	Long term			
Very High	Low			
Estimated number of negative annual returns over any 20 year period: Approx 6 to 7				
Risk label: Very High				
Risk band: 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 fees and costs:** 0.22% p.a. comprised of :

Investment fee: 0.15%

Estimated indirect investment costs: 0.07%

**Transaction Costs:** -0.02% 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

Risk label: Very High

Risk band: 7

## 4. Additional explanation of 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.

### Explanation of Ongoing Annual Fees and Costs

As a member of the Fund there are regular ongoing fees and costs that you pay:

- > Administration Fees and Costs
- > Investment Fees and Costs
- > Transaction Costs.

### Administration Fees and Costs

The Administration Fees and Costs fees relate to the administration and operation of the Fund and has the following components:

- > The standard administration fees (a percentage fee and/or a fixed dollar fee) relate to the day to day administration costs. They are calculated and deducted from your account on a monthly basis. You will see these fees as a transaction on your account.
- > The trustee administration fee (a percentage fee) pays for costs such as the staff costs of the Office of the Superannuation Trustee, Director Fees, product enhancements and the legal and legislative costs of the Fund. The fee is calculated and deducted from the investment returns of each investment option. This fee does not show as a transaction on your account.
- > Administration costs met from reserves. Where administration costs are met from a reserve and the costs paid are more than the amount credited to that reserve at 30 June each year, the difference (i.e. excess) is included in the Administration Fees and Costs disclosed in the Fund's next Product Disclosure Statement.

### Investment Fees and 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 has the following components:

- > Investment Fees which are the fees and costs payable for the exercise of care and expertise and the costs relating to the investment of the Fund's assets.
- > The indirect investment costs, which include performance fees, fund expenses and fund operating costs, which are paid from the assets of the underlying managed funds. They can also be referred to as indirect costs, as the costs are deducted before the investment returns for the underlying funds are declared. These costs are calculated as at 30 June each year based on the actual costs incurred for each of the investment options. This means the costs can vary from year to year.
- > Investment costs met from reserves. Where investment costs are met from a reserve and the costs paid are more than the amount credited to that reserve at 30 June each year, the difference (i.e. excess) is included in the Investment Fees and Costs disclosed in the Fund's next Product Disclosure Statement.

The table below summarises the current Investment Fees and Costs for all investment options and includes some estimated numbers. It is important to note that the indirect costs will vary from year to year. These costs are not deducted from your account but are factored into the calculation of the investment returns of each option.

Estimated Investment Costs				
Investment Option	Investment Fee (% p.a.)	Performance Fees (% p.a.)*	Other Investment Costs <sup>^</sup> **	Total Investment Fees and Costs (% p.a.)
GoalTracker	0.45%	0.01%	0.13%	0.59%
Defensive	0.45%	0.01%	0.11%	0.57%
Diversified 50	0.50%	0.01%	0.13%	0.64%
Blended Balanced	0.44%	0.00%	0.12%	0.56%
Balanced Growth	0.64%	0.07%	0.14%	0.85%
Growth	0.64%	0.03%	0.14%	0.81%
High Growth	0.61%	0.06%	0.14%	0.81%
Multi-asset Income Strategy	0.66%	0.00%	0.08%	0.74%
Multi-asset Growth Strategy	0.76%	0.00%	0.09%	0.85%
Australian Cash	0.07%	0.00%	0.06%	0.13%
Australian Floating Rate	0.15%	0.00%	0.08%	0.23%
Australian Fixed Income	0.35%	0.00%	0.06%	0.41%
Global Fixed Income - \$A Hedged	0.45%	0.00%	0.14%	0.59%
Australian Opportunities	0.85%	0.27%	0.11%	1.23%
International Property Securities - \$A Hedged	0.70%	0.00%	0.18%	0.88%
Global Opportunities	0.91%	0.00%	0.11%	1.02%
Global Opportunities - \$A Hedged	0.93%	0.00%	0.21%	1.14%
Emerging markets	1.25%	0.00%	0.13%	1.38%
Responsible Australian Shares	1.33%	0.00%	0.01%	1.34%
Responsible Global Shares	0.74%	0.00%	0.10%	0.84%
Third Party Indexed Australian Shares	0.15%	0.00%	0.01%	0.16%
Third Party Indexed Global Shares	0.15%	0.00%	0.01%	0.16%
Third Party Indexed Global Shares - \$A Hedged	0.15%	0.00%	0.07%	0.22%

\* The performance fees are based on an average for the five year period to 30 June 2020 (unless the option has been available for a shorter inception period).

<sup>^</sup> These values include an Operational Risk Reserve accrual of 0.00%.

\*\* For more information regarding the Transaction Costs see the Transaction Costs Table below.

## Explanation of Performance Fees

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

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

Investment managers may earn a performance fee irrespective of an option's overall performance (see example below). A performance 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 fees that will be payable.

Performance fees are based on realised and unrealised gains. Therefore, a performance fee may be paid on unrealised gains that may never subsequently be realised. Performance fees are accrued daily. The above table shows the performance fees for the options based on an average for the five year period to 30 June 2020 (unless the option has been available for a shorter inception period).

## Transaction Costs

Transaction costs are the costs incurred when buying and selling assets within each of the investment options. They are incurred in the super fund and/or in the underlying managed funds and include:

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

The Transaction costs shown in the Fees and Costs Summary are net of any amount the Trustee has recovered from the application of the buy sell spreads of the investment option. The net transaction cost is the estimated percentage by which the portfolio's investment return has been reduced by transaction 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	Gross Transaction Costs (% p.a.)	Buy-Sell Spread Recovery (% p.a.)	Net Transaction Costs (% p.a.)
GoalTracker <sup>~</sup>	0.21%	0.00%	0.21%
Defensive	0.07%	0.00%	0.07%
Diversified 50	0.13%	0.00%	0.13%
Blended Balanced	0.09%	0.00%	0.09%
Balanced Growth	0.12%	0.00%	0.12%
Growth	0.16%	0.00%	0.16%
High Growth	0.16%	0.00%	0.16%
Multi-asset Income Strategy	0.07%	0.00%	0.07%
Multi-asset Growth Strategy	0.17%	-0.02%	0.15%
Australian Cash	0.00%	0.00%	0.00%
Australian Floating Rate	0.00%	-0.10%	-0.10%
Australian Fixed Income	0.00%	-0.05%	-0.05%
Global Fixed Income - \$A Hedged	0.00%	-0.13%	-0.13%
Australian Opportunities	0.46%	-0.05%	0.41%
International Property Securities - \$A Hedged	0.17%	0.00%	0.17%
Global Opportunities	0.14%	-0.03%	0.11%
Global Opportunities - \$A Hedged	0.12%	-0.02%	0.10%
Emerging markets	0.00%	-0.10%	-0.10%
Responsible Australian Shares	0.03%	-0.05%	-0.02%
Responsible Global Shares	0.00%	-0.06%	-0.06%
Third Party Indexed Australian Shares	0.00%	-0.03%	-0.03%
Third Party Indexed Global Shares	0.00%	-0.02%	-0.02%
Third Party Indexed Global Shares - \$A Hedged	0.00%	-0.02%	-0.02%

<sup>~</sup> As part of the transition from the previous MySuper option to the The GoalTracker investment option, there was a transition of underlying assets during the three months from 28 March 2020. This was done to minimise the effect of movements in the investment markets. 0.09% of the transaction cost reported for the Goaltracker option in the table above relates to this one-off transition event.

### 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 option for the year ended 30 June 2020.

### Net Transaction 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 impacted by transactional and operational costs.

### Cost of Product for 1 Year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a 1-year period for all superannuation products and investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product information assumes a balance of \$50,000 at the beginning of the year. Please refer to the 'Sample calculations of fees and costs' section of your Insurance, Fees and Costs Guide for details of the fees that apply to you.

## 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.

## 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.

## Updated Indirect Investment Costs and Performance Fee Information

The indirect investment costs and performance 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](http://russellinvestments.com.au/trusteerequireddisclosure) or you may obtain a paper copy of any updated information from us free of charge on request.

## 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, corporate floating rate notes, 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) 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.

Asset class	Types of investments
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.

## Unit pricing and allocation of investment returns

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.

### 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	–
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
<b>Total</b>	<b>\$300</b>	–	<b>148.09</b>	–	–

## Investment returns in the GoalTracker investment option

Other investment options provide you with a share of the investments in a single pool that uses the same strategy for all investors. If you invest in one of those options your share of that pool is represented by the number of units that you hold.

Unlike those investment options, the GoalTracker investment option provides a personal investment strategy not a single strategy for all investors. Hence your investment isn't shown as a number of units in an investment pool.

The value of your investment in the GoalTracker investment option is available in the secure area of our website. Like other investment options it will fluctuate with the market value of the underlying investments. The investment returns are generally calculated daily and are based on changes in the market value of the underlying investments.

## Buy-sell spreads

Buy-sell spreads apply to the following investment options:

- > Multi-asset Income Strategy
- > Multi-asset Growth Strategy
- > Australian Floating Rate
- > 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 do not have a buy-sell spread unless you make more than five investment switches in a financial year. This means you can move between these options, generally, without any transaction costs.

- > GoalTracker
- > High Growth
- > Growth
- > Balanced Growth
- > Blended Balanced
- > Diversified 50
- > Defensive.

If, during the financial year, you make more than five switches in or out of the diversified options 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. Buy-sell spreads are reviewed and updated on a regular basis. View the buy-sell spreads at [russellinvestments.com.au/iQbuysellsread](https://russellinvestments.com.au/iQbuysellsread)

## 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 - \$A Hedged 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 - \$A Hedged 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).

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.

## 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.

## 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.

### Sector options

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

- i) produce components that are key and dedicated to the production of anti-personnel mines and/or cluster munitions;
  - ii) manufacture tobacco products; or
  - iii) 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:

- i) produce components that are key and dedicated to the production of anti-personnel mines and/or cluster munitions;
- ii) manufacture or participate in direct distribution of tobacco products;
- iii) 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;
- iv) are involved in uranium activities according to SIC 1094 and NAICS; and
- v) 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:

- i) 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
- ii) positively screen for companies with a 'sustainable' approach to the production of goods or services, environmental issues, employment practices, corporate governance and ethics.

### GoalTracker and Diversified options

The exclusions i), ii) and iii) described in the Sector options paragraph above applies to a portion of the following options:

- > GoalTracker
- > Defensive
- > Diversified 50
- > Blended Balanced
- > Balanced Growth
- > Growth
- > High Growth
- > Multi-asset Income Strategy
- > Multi-asset Growth Strategy.