QANTAS SUPER

LOOK FORWARD

Investment Guide

Issued 1 January 2024

About this document

This **Investment Guide** contains detailed information about Qantas Super's investment options.

The information in this document forms part of the **Qantas Super Gateway Member Guide Product Disclosure Statement** (PDS) issued on 1 January 2024.

You should read the PDS and this document together with the **Qantas Super Gateway Member Guide Supplement**, the **Which Glidepath investment stage am I invested in?** fact sheet and the **Voluntary Cover Insurance Guide**, which are available on our website at www.qantassuper.com.au.

This **Investment Guide** is also relevant for members in Qantas Super's divisions that are closed to new members – Divisions 1, 2, 3, 3A, 5, 6, 7, 10 and 15.

Please read these documents carefully and keep them with your personal financial documents.

The information in this document is of a general nature and is not intended to constitute personal financial product advice as it has not been prepared taking account of your objectives, financial situation or needs. We recommend that before acting on any information contained in this document, you consider its appropriateness and seek financial advice tailored to your personal circumstances from a licensed financial adviser.

Note: We may update this **Investment Guide** from time to time. For the latest version, please check our website. You can request a paper copy of updated information at any time free of charge by calling the Qantas Super Helpline on 1300 362 967.

Issued by Qantas Superannuation Limited ABN 47 003 806 960, AFSL 288330, RSE licence L0002257 (QSL, we, us, our or Trustee) as trustee of Qantas Superannuation Plan ABN 41 272 198 829, RSE R1005486 (Qantas Super). Qantas Super is the default super fund for most Australian-based employees of Qantas Airways Limited ABN 16 009 661 901 and associated employers (Qantas Group). Some terms used in this **Investment Guide** have a specific meaning which is set in the 'Definitions' section of the **Voluntary Cover Insurance Guide**.

Contents

How we invest your money

A range of investment options

You can actively manage the investment of your super with our range of investment options, by choosing one or a mix of investment options.[1] The following options are available to both Super Accounts and Income Accounts:

- **Glidepath:** An investment option designed to provide members with a greater exposure to growth assets early in their career and then to automatically reduce this exposure to growth assets as retirement nears. Refer to page 15 of this booklet for more information about Glidepath.
- **Aggressive:** For investors with a time horizon of at least 10 years, who want an investment portfolio predominantly invested in growth assets, with a high degree of risk.
- **Growth:** For investors with a time horizon of at least seven years, who want to achieve high returns driven by a large exposure to growth assets, with a high degree of risk.
- **Balanced:** For investors with a time horizon of at least five years, who want an investment portfolio balanced between growth and defensive assets, with a medium to high degree of risk.
- **Conservative:** For investors with a time horizon of at least three years, who want stable, modest returns, with a medium degree of risk.
- **Thrifty:** For investors with a time horizon of a least seven years, who want an investment portfolio predominantly invested in low-cost passive growth assets, with a high degree of risk.
- **Cash:** For investors who want exposure to cash, with a very low degree of risk.

[1] Note: If you're a member of a Qantas Super defined benefit division, investment choice only applies to certain accumulation accounts (please call the Qantas Super Helpline on 1300 362 967 if you'd like more information on this). If you don't make an investment choice for your eligible accumulation accounts, those accounts will be invested automatically in the Growth option.

ALERT: You must consider the likely investment return, the risk, and your investment timeframe when choosing an option in which to invest.

How do I change my investment options?

You can choose one or a mix of investment options in Qantas Super. And you can change your investment options at any time.

What can I change?

You can choose which investment options apply to:

- **Your current account balance** – specify how much to invest in each option by dollar amounts or by whole percentages (for Income Accounts in Gateway only whole percentages can be specified); and/or
- **Your future contributions (super accounts only)** – specify how much to invest in each option by whole percentages.

This flexibility means you can have different investment options for your current account balance and for your future contributions.

You can change your investment options by logging into your account online at www.qantassuper.com.au or by calling the Qantas Super Helpline on 1300 362 967.

When does my change take effect?

Changes for your current account balance

Your new investment options will apply to your current account balance from the first Wednesday following the date your valid switch request is received.[1]

We will notify you of any changes to the frequency of switching for current account balances, as required by law. The Trustee may also suspend processing of investment switches during times of investment market volatility or illiquidity, such as a major market event (eg a significant banking failure or an economic depression).

Changes for your future contributions (super accounts only)

Your new investment options will apply to future contributions from the next business day following the date your valid switch request is received.[2]

[1] A request received by Qantas Super's administrator after 11.30pm on a Tuesday is deemed to be received the next business day.

[2] A request received by Qantas Super's administrator after 11.30pm on a given day is deemed to be received the next business day.

Changes to your investment strategy over time

If you've requested your current account balance be invested in more than one investment option, the proportions or amounts you specify will be applied at the time your money is transferred into those options.

However, for various reasons (such as different investment earnings for each investment option and how transactions are made on your account), over time your account may not be invested in the same proportion as you originally specified. You will need to monitor your account and submit a new switch request if you'd like to change the proportions of your account that are invested in each option.

For the Cash option, we will only withdraw your funds where you have specifically requested us to do so. Exceptions to this will occur in circumstances where we are required under law (eg family law splits), your benefit is being paid due to death or total and permanent incapacity or where fees and expenses (including tax and insurance premiums) are required to be deducted from your account.

What happens to your investment options when you become a Retained Member in Gateway?

If you're already a member of Gateway

Upon becoming a Retained Member when you cease employment or elect choice of fund, there will be no change to the investment options that apply to your account balance and/or future contributions.

If you're in another division of Qantas Super

Upon becoming a Retained Member in Gateway when you cease employment or elect choice of fund, your future contributions and account balance in Gateway will be invested as follows:

- **Account balance for members transferring from accumulation Divisions 3A, 5, 6, 7 and 10**. Your transferred benefit will be invested in the same investment options and in the same proportion that applied to your account balance in your previous division on the day of exiting that division.
- **Account balance for members transferring from defined benefit Divisions 1, 2, 3 and 15**. If you have chosen investment options for your accumulation accounts in your previous division, upon transfer to Gateway your total benefit (including the value of your defined benefit component) will be invested in the same investment options and in the same proportion that applied to your accumulation accounts in your previous division on the day of exiting that division.

  If you have **not** chosen investment options for your accumulation accounts in your previous division, upon transfer to Gateway your total benefit (including the value of your defined benefit component) will be invested in Glidepath, the default option in Gateway.
- **Future contributions**. If you have chosen investment options for future contributions in your previous division, this will continue to apply in Gateway. If you have not chosen investment options for your future contributions in your previous division, then all future contributions will be invested in Glidepath, the default option in Gateway.

What happens to your investment options when your defined benefit component ceases to accrue?

Applicable for members of defined benefit Divisions 1, 2, 3 and 15 only.

Upon reaching your superannuation date or retirement date (as applicable)[1], your future contributions and account balance in your defined benefit division will be invested as follows:

- **Account balance**. If you have chosen investment options for your accumulation accounts in your defined benefit division, your total benefit (including the value of your defined benefit component) will be invested in the same investment options and in the same proportion that applied to your accumulation accounts on the date that your defined benefit component ceased to accrue.

  If you have **not** chosen investment options for your accumulation accounts in your defined benefit division, your total benefit (including the value of your defined benefit component) will be invested in Growth, the default option for the defined benefit divisions.

- **Future contributions**. If you have chosen investment options for future contributions, this will continue to apply after the date that your defined benefit component ceased to accrue. If you have not chosen investment options for your future contributions, then all future contributions will be invested in Growth, the default option for the defined benefit divisions.

[1] For assistance in determining your superannuation date or retirement date, refer to the relevant Information Booklet for your division. Alternatively, you can call the Qantas Super Helpline on 1300 362 967.

Understanding your investment options

Asset Classes

Qantas Super's investment options are invested in different asset classes.

- **Equities** – Equities (or shares) represent a share of the ownership of companies either through listed exchanges or private equity. Their return is derived from dividends paid to shareholders from company profits, and from changes to the share price. Equities are considered growth assets.

- **Alternatives** – There are a range of alternative assets used by Qantas Super. These may include specialist assets, including infrastructure, property, timberland, agriculture, commodities as well as distressed credit investments. Their returns can be derived from a combination of dividends, distributions and interest, plus changes in the capital values of the assets. Qantas Super also invests in strategies known as multi-strategy where the aim is to achieve a real return greater than cash over the longer term. Alternative assets can consist of both growth assets[1] and defensive assets.

[1] Growth assets are expected to deliver higher returns over time, but returns may be more variable from year to year.

- **Fixed interest** – Fixed interest investments or bonds are issued by public organisations and companies. Each bond will normally have a fixed rate (and dates) of interest payment and the original capital is repaid at the end of the bond term. Because bonds can be traded, their market value will vary throughout the term of the bond. Bonds are available in Australia and overseas. Qantas Super invests in a range of fixed interest investments including government bonds, corporate bonds, emerging market debt, private debt and loans. Qantas Super also invests in actively managed fixed interest strategies where the aim is to achieve a real return greater than cash. Fixed interest assets are considered defensive assets.[1]
- **Cash** – These may include cash or cash equivalent investments and term deposits placed with financial institutions, which pay interest on these amounts. Cash investments are generally 'on-call' which means they can be accessed at any time. Cash is considered a defensive asset.[1]

[1] Defensive assets are those which are expected to provide lower and more stable investment returns, and diversification benefits when combined with growth assets.

Investment managers

We select high quality investment managers to invest the assets held by Qantas Super on your behalf. We regularly review their performance and can remove managers and add new ones, as required. Details of our investment managers are included in the Qantas Super annual report each year which is available on our website. The Qantas Super portfolio holdings are also available on our website.

Managing currency exposure

Investing in assets outside Australia, such as shares listed on foreign stock exchanges, means the value of those assets can change as the value of foreign currencies change. All investment options (with the exception of the Cash option) have exposure to global assets, and therefore to movements in exchange rates.

The level of foreign currency exposure will depend on the investment option you're invested in. The foreign currency exposure weights for each investment option are shown in the table below:

Investment option	Lower limit	Strategic foreign currency exposure weight	Upper limit
Glidepath:			
– Take-Off	24%	37.5%	51%
– Altitude	18%	27.5%	37%
– Cruising	16%	25%	34%
– Destination	15%	22.5%	30%
Aggressive	24%	37.5%	51%
Growth	18%	27.5%	37%
Balanced	15%	22.5%	30%
Conservative	8%	12.5%	17%
Thrifty	37%	40%	43%
Cash	0%	0%	0%

The foreign currency exposure weights for each investment option may vary within the ranges outlined on the previous page and these ranges may be varied in the future, if determined to be appropriate. We will inform you as required by law if this is the case. Exposure to foreign currency is managed by a specialist currency risk manager. Foreign currency exposures may move away from the strategic foreign currency exposure and stay within permitted limits when it is determined by Qantas Super's specialist currency risk manager that exposure changes may mitigate the risk of fluctuating exchange rates.

Changes to the investment options

We may change Qantas Super's investment options, investment return objectives and/or strategic asset allocations. We may do this without prior notice in some cases. Members will be advised, either online or in our next communication, of any changes which represent a material change to an investment option.

Environmental, social or governance considerations

We believe that environmental, social and governance (ESG) factors can impact investment risks, returns and reputation and contribute to Qantas Super's ability to deliver sustainable growth for the benefit of members.

However, while we strive to understand our exposure to any potentially material risks of not achieving sustainable growth, we do not specifically consider labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments except as follows:

a) We exercise our active ownership rights, including share voting rights, in a manner consistent with the stewardship of Qantas Super's investments. Specifically the Trustee has a relationship with Institutional Shareholder Services Inc. (ISS) who provide proxy voting advice on listed Australian and global equity holdings. ISS is a provider of corporate governance and responsible investment solutions for asset owners, asset managers, hedge funds, and asset service providers. ISS's policy aims to follow corporate governance best practices to safeguard shareholder capital, and predominantly considers the environmental and social impacts of management and shareholder proposals, when casting each vote. This advice is intended to promote long-term shareholder value creation and risk mitigation through support of responsible global corporate governance practices.

b) The Trustee has resolved to prohibit any investment by Qantas Super in companies involved in the manufacture of tobacco, cluster munitions or anti-personnel mine whole weapon systems (except in relation to immaterial indirect exposures gained through futures products). The Trustee monitors adherence to these prohibitions by requiring regular attestations at least annually from all of Qantas Super's investment managers. Where a prohibited investment is identified, the Trustee will instruct the investment manager to dispose of the holding as soon as practicable.

c) The Trustee acknowledges in its Investment Governance Framework as part of its Sustainable Growth investment belief that climate change is a material risk. The Trustee measures and monitors the carbon emissions profile of the total Plan and can consider whether it has any financial impact on the portfolio. The carbon emissions profile of the total Plan and its underlying assets is measured annually. The Trustee has set a long-term goal to achieve net zero carbon emissions by 2050, and also recognises the investment opportunities created by climate change and, for example, has investments in bridging fuels, sustainable agriculture, and green property technology.

Investment fees

Details of investment fees for each of Qantas Super's investment options are available under the 'Investment options' section of our website. They are also detailed in Qantas Super's annual report and for Gateway, the **Qantas Super Gateway Member Guide Supplement**, which is also available on our website. Alternatively, you can call the Qantas Super Helpline on 1300 362 967 for details.

Risks of super

All investments carry risk. Different investment strategies may carry different levels of risk, depending on the asset classes (for example equities, property, fixed interest and cash) that make up the strategy. Assets with the highest, long-term returns may also carry the highest level of short-term risk.

The likely investment return and the level of risk of losing money may be different for each of Qantas Super's investment options depending on the underlying mix of assets. Each of the investment options may also be exposed to specific types of investment risk including market risk, inflation risk, interest rate risk, liquidity risk, currency risk, gearing and derivatives risk, credit risk and counterparty risk.

Summary of investment risks

All investments, including super, involve a degree of investment risk. There are a number of risks such as:

- **Market risk**. The risk posed by numerous factors such as Australian and global financial and economic conditions, politics, interest rate changes and inflation changes. Market risk may not be completely mitigated through diversification.
- **Inflation risk**. The risk that inflation erodes the value of your investments in real terms.
- **Interest rate risk**. The risk that changes in interest rates can impact on the value of different asset classes, for example, bonds. A bond investment in a low interest rate environment may experience a fall in capital value when interest rates increase. Conversely, holding a high yielding bond in a falling interest rate environment may result in an increase in capital value.
- **Liquidity risk**. This is the risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay. This may be due to there being insufficient buyers in the market for the particular investment or due to disruptions in investment markets. Securities for small companies may from time to time become less liquid, particularly when investment markets are falling. There may also be restrictions about when the investment can be converted into cash because of the terms of the investment.
- **Currency risk**. If an investment is held in global assets, a rise or fall in the Australian dollar relative to other currencies may impact investment values or returns.
- **Gearing and derivatives risk**. Underlying funds may use derivatives and gearing (borrowing). The value of derivatives is linked to the value of the underlying assets and can be highly volatile. Gearing has the potential to magnify the volatility of the geared investment. As a result, gearing will result in positive returns being more positive or negative returns being more negative.
- **Credit risk**. There is a risk of loss arising from a borrower defaulting on debt and/or a decline in the perception of credit quality within the market. This has the potential to arise with various investments including derivatives, fixed interest and mortgage securities.
- **Counterparty risk**. There is a risk that the issuer of an investment or the other party to a contract may fail to meet its legal obligations. This risk can arise in relation to arrangements such as derivative contracts, brokerage agreements, as well as repurchase and foreign exchange contracts.

Things you should consider

When considering your investment in super, it is important to consider the following:

Diversification

Spreading assets over a large number of investments reduces the reliance on a small number of investments. Spreading investments is known as diversification.

For Qantas Super's investment options, assets are spread across different asset classes and across a number of investment managers (except the Cash option). This reduces the reliance on a small number of asset classes and managers, and also reduces the potential volatility of overall returns.

It is important to recognise that the Trustee is seeking to optimise investment risk, in the context of each investment option's stated risk tolerance. Every investment carries some investment risk, and each investment option has the possibility of negative returns.

Investment timeframe

Your investment timeframe reflects how long you anticipate your super will be invested. For some members this may be a short period, for example, if they are planning to retire shortly and draw down some of their super. For others this may be a much longer period, for example, members who have just commenced their career may have a very long investment timeframe ahead of them. Your investment timeframe will be an important factor in your choice of investment options. The longer your investment timeframe, the more time you have to ride out the volatility of higher risk investments. Importantly, your investment timeframe reflects the length of time you expect your funds to be invested until you need to draw down on them for income.

Risk tolerance

Most members will have a different tolerance to risk. For example:

- some may be happy to target high returns over the long term, by investing in growth assets and accepting the risk of receiving a negative return in some years;
- some may take a more balanced approach, not seeking the higher possible returns and, at the same time, reducing the risk of a negative return; or
- some may be more conservative, and be more concerned to minimise the potential for loss in any year, acknowledging this reduces the potential to seek higher long-term returns.

Importantly there is no 'right answer'. Ultimately, your investment decisions require you to make a judgement about which options will best help you achieve your financial goals.

It is possible that, over time, your investment timeframe will change and/or your risk tolerance may also change. It is therefore worthwhile reviewing your investment choice from time to time and making changes if appropriate.

Standard risk measure

The risk level for each of Qantas Super's investment options has been determined using the Standard Risk Measure (SRM) based on industry guidance. The SRM is designed to allow you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The SRM reports the level of risk of an investment option by 'risk bands' and 'risk labels'. There are seven risk bands with risk labels ranging from 'Very low' to 'Very high'. The risk bands relate to a measure of the estimated number of negative annual returns over any 20 year period as set out in the table below.

Risk label	Risk band	Estimated number of negative annual returns over any 20 year period
Very low	1	Less than 0.5
Low	2	0.5 to less than 1
Low to medium	3	1 to less than 2
Medium	4	2 to less than 3
Medium to high	5	3 to less than 4
High	6	4 to less than 6
Very high	7	6 or higher

The SRM is one way to look at investment risk, but it 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 you may require to meet your objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Risk tolerance depends on your own personal appetite for risk. When deciding the appropriate investment option or mix of options for you, you should consider the various types of investment risks set out above.

Note: You should ensure you are comfortable with the risks and potential losses associated with the investment options you select.

We suggest you speak to a licensed financial adviser if you need help choosing how your super is invested.

How returns are calculated

Investment returns for each investment option are applied using credited interest rates (CIRs). A history of Qantas Super's CIRs and investment returns is available under the 'How we're performing' section of our website.

Credited interest rates

CIRs represent, as far as practicable, the net investment returns (net of investment tax) on the assets for each investment option, after investment fees have been deducted. CIRs can be positive or negative. The CIR for each of the investment options is determined by the Trustee at least weekly and is published on our website.

The actual investment earnings applied to your account are based on the CIRs for the investment options you are invested in, the period of time that you were invested in the investment options and the timing of cash flows into and out of your account. When applied to your account, annualised CIRs will be used, pro-rated on a daily basis.

Interim credited interest rates

Where CIRs are not available, interim credited interest rates (ICIRs) determined by the Trustee are applied to your account. ICIRs may be positive or negative. The ICIRs for a period will be replaced by the final CIRs for that period once they have been calculated. The Trustee reviews the ICIRs on a regular basis and may increase or decrease the ICIRs applied to your account at any time.

CIRs/ICIRs for insurance benefits

For Divisions 3A, 5, 6, 7, 10 and Gateway[1]

Death benefit

If a death benefit is payable:

- the CIRs/ICIRs for the Cash option will be applied to the amount of any Standard Cover or Basic Cover and Voluntary Cover payable from the date Qantas Super receives these amounts from the Insurer to the date of payment; and
- the CIRs/ICIRs for the Cash option will be applied to the remaining part of the death benefit from the day following the date of death to the date of payment.

Total and Permanent Disablement (TPD) or Terminal Illness benefit

If a TPD or Terminal Illness benefit is payable, the CIRs/ICIRs for the same investment options (in the same proportion) that apply to your account balance will be applied to the amount of any Standard Cover or Basic Cover and Voluntary Cover payable from the date Qantas Super receives these amounts from the Insurer to the date of payment.

[1] For Income Accounts in Gateway, the death benefit referred to in this section is any death benefit paid as a lump sum (that is, it does not apply to any death benefit paid as a reversionary income stream). If you have an Income Account that is paid to a reversionary beneficiary when you die, the account balance will continue to be invested in the same investment options that applied prior to your death. Your reversionary beneficiary can switch investment options at any time. Please note that if your Income Account is invested in Glidepath at any time, your date of birth (and not the date of birth of your reversionary beneficiary) will be used to determine the investment stage in which the Income Account is invested.

For Divisions 1, 2, 3 and 15

The process that currently applies for these Divisions is set out below but these processes may change in the future.

Death benefit

If a death benefit is payable:

- the CIRs/ICIRs for the Cash option will be applied to the amount of any Voluntary Cover payable from the date Qantas Super receives these amounts from the Insurer to the date of payment; and
- the CIRs/ICIRs for the Cash option will be applied to the remaining part of the death benefit (inclusive of the amount of any Standard Cover received from the Insurer) from the day following the date of death to the date of payment.

Total and Permanent Disablement (TPD) or Terminal Illness benefit

If a TPD or Terminal Illness benefit is payable, the CIRs/ICIRs that apply will be determined as follows:

- If you have chosen investment options for your accumulation accounts in your defined benefit division, the CIRs/ICIRs for the same investment options (in the same proportion) that apply to the balance of your accumulation accounts will apply; or
- If you have not chosen investment options for your accumulation accounts in your defined benefit division, the CIRs/ICIRs for the Growth investment option will apply.

The date from which earnings will apply is as follows:

- the amount of any Voluntary Cover payable from the Insurer will receive earnings from the date Qantas Super receives the amount from the Insurer to the date of payment; and
- the remaining part of the TPD or Terminal Illness benefit (inclusive of the amount of any Standard Cover received from the Insurer) will receive earnings from:
  - for a TPD benefit: the day following the date of ceasing employment; or
  - for a Terminal Illness benefit: the day following the earlier of the Date of Claim or date of ceasing employment.

ALERT: Investment returns and CIRs/ICIRs can be positive or negative. Past performance is not a reliable indicator of future performance.

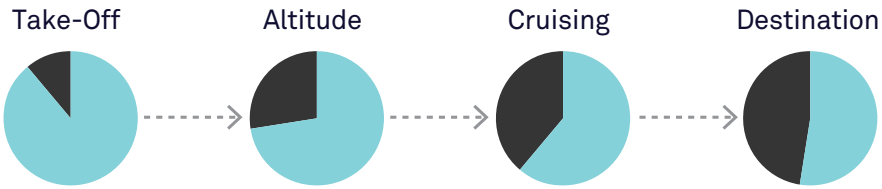
About Glidepath

Glidepath is an investment option designed to provide members with a greater exposure to growth assets early in their career and then to automatically reduce this exposure to growth assets as retirement nears.

Glidepath has four investment stages: **Take-Off, Altitude, Cruising and Destination**.

When you first invest in Glidepath, you will be automatically invested in the stage relevant to your age group (based on your year of birth). Over time, you will be automatically invested in the next investment stage.

Automatic investment in each investment stage
(For illustrative purposes only)



- Growth assets (eg Equities)
- Defensive assets (eg Fixed interest)

Glidepath has been designed to meet the needs of our members today and into the future. Glidepath adjusts its growth and risk profile over a member's life. It is structured so that younger members (who have a longer time to retirement) are invested in the earlier stages of Glidepath where they are more exposed to growth assets and therefore to more risk.

This strategy is designed to reduce overall portfolio volatility as you near retirement whilst still providing an opportunity for growth.

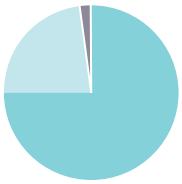
If you do not make an investment choice when joining the Gateway division of Qantas Super, your account will be invested in Glidepath.[1]

[1] If you are starting an Income Account in Gateway – you can choose to invest using our Auto-pilot option (Retirement Members and Beneficiary Members only) or you can choose one or a mix of investment options. For information on the Auto-pilot option, refer to the **Qantas Super Gateway Member Guide Supplement** available on our website.

The Glidepath option – investment stages in detail

Please refer to the **Which Glidepath investment stage am I invested in?** fact sheet on our website to work out which investment stage applies to you.

Take-Off



Asset Class	Strategic asset allocation[1] (%)	Range (%)
Equities	75	60-90
Alternatives	23	8-38
Fixed interest	0	0-15
Cash	2	0-17

Overview

Designed for investors with a time horizon of at least ten years, who want an investment portfolio predominantly invested in growth assets, with a high degree of risk.

Investment objective

This investment stage aims to:

- achieve a return that exceeds CPI by at least 4.0% pa over a ten year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to less than five and a half in 20 years (or 27.5% likelihood in each year).

Minimum suggested time to invest

10 years.

Risk level

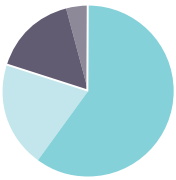
This investment stage has a high degree of risk (risk band 6).

The estimated number of negative annual returns over any 20 year period is around 5.5 years.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment stage assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment stage. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section for more information on the risk level.

Altitude



Asset Class	Strategic asset allocation[1] (%)	Range (%)
Equities	60	45-75
Alternatives	20	5-35
Fixed interest	16	1-31
Cash	4	0-19

Overview

Designed for investors with a time horizon of at least seven years, who want to achieve high returns driven by a large exposure to growth assets, with a high degree of risk.

Investment objective

This investment stage aims to:

- achieve a return that exceeds CPI by at least 3.5% pa over a seven year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to less than four and a half in 20 years (or 22.5% likelihood in each year).

Minimum suggested time to invest

7 years.

Risk level

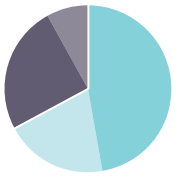
This investment stage has a high degree of risk (risk band 6).

The estimated number of negative annual returns over any 20 year period is around 4.5 years.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment stage assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment stage. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section for more information on the risk level.

Cruising



Asset Class	Strategic asset allocation[1] (%)	Range (%)
Equities	47.25	32.25-62.25
Alternatives	20	5-35
Fixed interest	24.75	9.75-39.75
Cash	8	0-23

Overview

Designed for investors with a time horizon of at least five years, who want an investment portfolio with growth opportunities, with a medium to high degree of risk.

Investment objective

This investment stage aims to:

- achieve a return that exceeds CPI by at least 3.0% pa over a five year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to less than four in 20 years (or 20% likelihood in each year).

Minimum suggested time to invest

5 years.

Risk level

This investment stage has a medium to high degree of risk (risk band 5).

The estimated number of negative annual returns over any 20 year period is around 4 years.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment stage assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment stage. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section for more information on the risk level.

Destination

Asset Class	Strategic asset allocation[1] (%)	Range (%)
Equities	40	25-55
Alternatives	20	5-35
Fixed interest	30	15-45
Cash	10	0-25

Overview

Designed for investors with a time horizon of at least five years, who want an investment portfolio balanced between growth and defensive assets, with a medium to high degree of risk.

Investment objective

This investment stage aims to:

- achieve a return that exceeds CPI by at least 2.5% pa over a five year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to less than three and a half in 20 years (or 17.5% likelihood in each year).

Minimum suggested time to invest

5 years.

Risk level

This investment stage has a medium to high degree of risk (risk band 5).

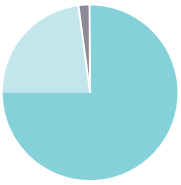
The estimated number of negative annual returns over any 20 year period is around 3.5 years.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment stage assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment stage. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section for more information on the risk level.

Other investment options in detail

Aggressive



Asset Class	Strategic asset allocation[1] (%)	Range (%)
Equities	75	60-90
Alternatives	23	8-38
Fixed interest	0	0-15
Cash	2	0-17

Overview

Designed for investors with a time horizon of at least 10 years, who want an investment portfolio predominantly invested in growth assets, with a high degree of risk.

Investment objective

This investment option aims to:

- achieve a return that exceeds CPI by at least 4.0% pa over a ten year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to less than five and a half in 20 years (or 27.5% likelihood in each year).

Minimum suggested time to invest

10 years.

Risk level

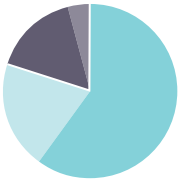
This investment option has a high degree of risk (risk band 6).

The estimated number of negative annual returns over any 20 year period is around 5.5 years.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section for more information on the risk level.

Growth



Asset Class	Strategic asset allocation[1] (%)	Range (%)
Equities	60	45-75
Alternatives	20	5-35
Fixed interest	16	1-31
Cash	4	0-19

Overview

Designed for investors with a time horizon of at least seven years, who want to achieve high returns driven by a large exposure to growth assets, with a high degree of risk.

Investment objective

This investment option aims to:

- achieve a return that exceeds CPI by at least 3.5% pa over a seven year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to less than four and a half in 20 years (or 22.5% likelihood in each year).

Minimum suggested time to invest

7 years.

Risk level

This investment option has a high degree of risk (risk band 6).

The estimated number of negative annual returns over any 20 year period is around 4.5 years.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section for more information on the risk level.

Balanced

Asset Class	Strategic asset allocation[1] (%)	Range (%)
Equities	40	25-55
Alternatives	20	5-35
Fixed interest	30	15-45
Cash	10	0-25

Overview

Designed for investors with a time horizon of at least five years, who want an investment portfolio balanced between growth and defensive assets, with a medium to high degree of risk.

Investment objective

This investment option aims to:

- achieve a return that exceeds CPI by at least 2.5% pa over a five year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to less than three and a half in 20 years (or 17.5% likelihood in each year).

Minimum suggested time to invest

5 years.

Risk level

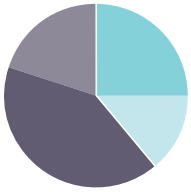
This investment option has a medium to high degree of risk (risk band 5).

The estimated number of negative annual returns over any 20 year period is around 3.5 years.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section for more information on the risk level.

Conservative



Asset Class	Strategic asset allocation[1] (%)	Range (%)
Equities	25	10-40
Alternatives	14	0-29
Fixed interest	41	26-56
Cash	20	5-35

Overview

Designed for investors with a time horizon of at least three years, who want stable, modest returns, with a medium likelihood of negative returns.

Investment objective

This investment option aims to:

- achieve a return that exceeds CPI by at least 1.5% pa over a three year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to less than two and a half in 20 years (or 12.5% likelihood in each year).

Minimum suggested time to invest

3 years.

Risk level

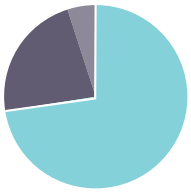
This investment option has a medium degree of risk (risk band 4).

The estimated number of negative annual returns over any 20 year period is around 2.5 years.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section for more information on the risk level.

Thrifty



Asset Class	Strategic asset allocation[1] (%)	Range (%)
Equities	72.5	57.5-87.5
Alternatives	0	0-15
Fixed interest	22.5	7.5-37.5
Cash	5	0-20

Overview

Designed for investors with a time horizon of at least seven years, who want an investment portfolio predominantly invested in low-cost passive growth assets, with a high degree of risk.

Investment objective

This investment option aims to:

- achieve a return that exceeds CPI by at least 3.0% pa over a seven year period, after tax and investment fees; and
- limit the likelihood of a negative annual return to less than five in 20 years (or 25% likelihood in each year).

Minimum suggested time to invest

7 years.

Risk level

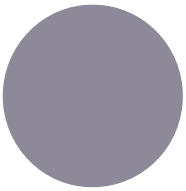
This investment option has a high degree of risk (risk band 6)

The estimated number of negative annual returns over any 20 year period is around 5.[2]

[1] The strategic asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time, but within the ranges indicated.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section for more information on the risk level.

Cash



Asset Class	Strategic asset allocation[1] (%)
Cash	100

Overview

Designed for investors who want exposure to cash. Currently, the Cash option invests via an ANZ bank account. The risk of negative returns is very low.

Investment objective

This investment option aims to:

- achieve a return equal to the Bloomberg AusBond Bank Bill Index, after tax and investment fees, over a rolling one year period; and
- never achieve a negative annual return.

Minimum suggested time to invest

No minimum time applicable.

Risk level

This investment option has a very low degree of risk (risk band 1).

The estimated number of negative annual returns over any 20 year period is nil.[2]

[1] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section for more information on the risk level.

[2] The figure shown is the estimated number of negative annual returns over any 20 year period for this investment option. This may be different to the investment objective (which aims to limit the likelihood of negative returns to less than a specified number of years). Please see the 'Risks of super' section for more information on the risk level.

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