

Asgard Employee Super Account

Part 2 – Investment

The Asgard logo is displayed in a white, serif font against a dark red background.

Additional Information Booklet

Part 2 – Investment

Issued: 17 December 2018

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AFSL 233724

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About this Additional Information Booklet

This document is Part 2 of the Additional Information Booklet for Asgard Employee Super Account (Asgard Employee Super). The information in this document is incorporated by reference into, and taken to be included in the Product Disclosure Statement (PDS) for Asgard Employee Super dated 17 December 2018.

The Additional Information Booklet is comprised of three parts:

Part 1 - General (Issued 17 December 2018)

Part 2 - Investment (Issued 17 December 2018)

Part 3 - Insurance (Issued 17 December 2018)

You should read the PDS and the Additional Information Booklet (Parts 1 to 3) (which together form part of the PDS) before making a decision about Asgard Employee Super.

The information in the PDS and Additional Information Booklet may change at any time. The updated information, if it is not materially adverse, is available at asgard.com.au.

In addition, the Asgard Employee Super Account List of Available Investment Options Booklet (List of Available Investment Options Booklet) sets out the list of available investment options and includes the investment selection form.

The PDS, Additional Information Booklet and the List of Available Investment Options Booklet are available free of charge at asgard.com.au, or by calling us on 1800 998 185.

Asgard Employee Super is available from financial advisers across Australia. The offer or invitation to which the PDS and the Additional Information Booklet relates is only available to persons receiving the PDS and the Additional Information Booklet in Australia. The Trustee may at its discretion refuse to accept applications from any person.

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Important information

About the Trustee

Asgard Employee Super, the PDS and the Additional Information Booklet are issued by BT Funds Management Limited ABN 63 002 916 458, AFSL 233724 ('BTFM', 'we', 'us', 'our', or 'the Trustee'), the trustee of, and the issuer of interests in the superannuation fund known as the Asgard Independence Plan Division Two, ABN 90 194 410 365 (the Fund) which Asgard Employee Super is a part of. The Unique Superannuation Identifier (USI) for Asgard Employee Super is ASG0007AU. BTFM is also the trustee of, and the issuer of interests in the BT Institutional Conservative Growth Pooled Superannuation Trust ABN 87 618 819 950 (the Asgard MySuper PST).

About the Administrator

Asgard Capital Management Ltd ABN 92 009 279 592, AFSL 240695 ('Asgard' or 'the Administrator') is the custodian and administrator of Asgard Employee Super. Advance Asset Management Limited ABN 98 002 538 329, AFSL 240902 (Advance) is the responsible entity of some of the managed investments available through Asgard Employee Super.

Your rights

The PDS and the Additional Information Booklet have been prepared in accordance with our obligations under superannuation law and the general law. The statements in the PDS and/or the Additional Information Booklet do not form the basis of contractual relations between you and us, except where this is specifically intended to be the case (for example, in the 'Acknowledgements, confirmations and agreements' section of the Additional Information Booklet Part 1 – General, and in relation to any other acknowledgements and representations you make to us in the forms).

Other than as specified by legislation, including superannuation law, the PDS and/or the Additional Information Booklet do not confer any additional rights on you. We reserve the right to change the features and provisions relating to Asgard Employee Super as contained in the PDS and Additional Information Booklet, but will provide you with notice of any such change or the ability to access such information as required by superannuation law and the general law (please see the 'Keeping you informed' section of the Additional Information Booklet Part 1 – General for information about how we will keep you informed).

Your rights in relation to Asgard Employee Super are governed by the Asgard Independence Plan – Superannuation Trust Deed dated 12 May 1988, as amended from time to time (Trust Deed) (which overrides any provisions in the PDS and the Additional Information Booklet), superannuation law and the general law.

General advice warning

The information in the PDS and Additional Information Booklet is general information only and does not take into account your objectives, financial situation or needs. Before acting on the information in the PDS and the Additional Information Booklet, you should consider the appropriateness of this information having regard to your objectives, financial situation and needs. You should consult a financial adviser to obtain financial advice tailored to suit your personal circumstances. In deciding whether to open, or continue to hold an Asgard Employee Super account, you should consider the PDS and the Additional Information Booklet.

Insurance

Asgard Employee Super provides insurance through group policies (Master Policies) which are issued by Westpac Life Insurance Services Limited ABN 31 003 149 157, AFSL 233728 ('WLISL' or the 'Insurer') and administered by us. All insurance benefits are subject to the terms and conditions contained in the relevant Master Policies.

The insurance benefits provided by the Master Policies and described in the PDS and Additional Information Booklet are liabilities of WLISL. They are not deposits in, or liabilities of, and are not guaranteed by any other bank or company whether related to WLISL or not. We are the policyholder under the Master Policies with WLISL.

Consent to be named

Each of Asgard, Advance and WLISL has consented to being named in the PDS and the Additional Information Booklet and for the inclusion of information attributed to it, in the form and context in which it appears, and has not withdrawn its consent before the date the PDS and the Additional Information Booklet was prepared.

Investment in Asgard Employee Super

BTFM, Asgard and Advance are subsidiaries of Westpac Banking Corporation ABN 33 007 457 141, AFSL 233714 (Westpac).

Your Asgard Employee Super account and the underlying investments (other than deposit products provided by Westpac) do not represent deposits or liabilities of Westpac or any other company in the Westpac Group and are subject to investment risk, including possible delays in repayment and the loss of income or capital invested. Except as expressly disclosed in the PDS, or the Additional Information Booklet, neither Westpac, nor any other company in the Westpac Group in any way stands behind or guarantees the capital value and/or the performance of any of the underlying investments or Asgard Employee Super generally.

Related party remuneration

The Trustee, Asgard, Advance, Westpac and other companies in the Westpac Group receive fees in connection with operating Asgard Employee Super or the underlying investments (as applicable). For more information, see the 'Fees and other costs' section in the PDS and the Additional Information Booklet Part 1 – General. You can also find information on executive remuneration at btfg.com.au > BT Financial Group > Additional disclosure > BT Funds Management Limited.

1. About investing

Making an investment choice

Before making an investment choice, you should carefully consider how much of your super you're prepared to risk in order to receive potential gains. Your financial goals and attitude to risk will help determine which investment(s) best suits your investment needs.

Your financial adviser can help you determine your tolerance to risk, your investment goals and timeframe, and recommend the most suitable investment(s). We recommend you regularly review your investment strategy with your financial adviser to accommodate changes in your circumstances and market conditions over time.

To help you and your financial adviser select the most appropriate investments, a copy of the underlying product disclosure statement or other disclosure documents for each of the managed investments can be obtained free of charge and on request from your financial adviser (if you have one), or from Investor *Online*, or from us.

You should read the applicable product disclosure statements carefully before making an investment decision. We also recommend you seek specialist professional advice.

Changes to investment managers and managed investments

We regularly review investment managers and managed investments to ensure we continue to offer a quality range of managed investments. As part of this review process, we may remove or add a managed investment, term deposits, an investment manager, change investment consultants and, for Asgard MySuper Lifestage Investment Option, change the way in which the option invests in underlying assets.

We may do these things at any time and in some cases without prior notice. Where we don't give prior notice, we will notify members of any material changes relating to the managed investments in the next regular communication following the change, or as otherwise required or permitted by relevant law.

We can change Asgard MySuper's objective and strategy (including the benchmark), strategic asset allocation neutral position and ranges, and currency strategy (if any), without prior notice. We provide no assurance that any managed investment currently available in Asgard Employee Super will continue to be available in the future. More detailed information is provided in the underlying product disclosure statement and other disclosure documents for each of the managed investments. A copy of each product disclosure statement is available free of charge on request from your financial adviser (if you have one), or from Investor *Online*, or from us.

Labour standards and environmental, social and ethical considerations

Other than as disclosed on this page, labour standards or environmental, social or ethical considerations are not taken into account in the selection, retention or realisation of investments offered through Asgard Employee Super. However, the investment managers of the underlying managed investments and cash products, and the shares or other securities of the various listed entities in which you may invest through Asgard Employee Super, may have their own policies on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions. This is important information that you should consider before making a decision about an investment.

For managed investments and cash products, any such policies should be included in the product disclosure statement of the applicable investment or product. You can obtain a copy of these disclosure documents, free of charge, on request from your financial adviser, or from Investor *Online*, or from us.

For the following investment options:

- > Asgard MySuper Lifestage Investment Options
- > Asgard SMA - Funds

We take an integrated approach to the consideration of environmental, social and corporate governance (ESG) factors across all asset classes as relevant and we believe this enhances our ability to meet the long-term investment objectives for the investment options and provides greater insight into investment risks across all timeframes. The level of ESG integration included in an investment manager's strategy and the individual investment manager capabilities is a factor we consider as part of our investment manager selection process. Once appointed, to the extent an underlying investment manager of the investment options considers it appropriate and having regard to its investment strategy, ESG factors may be included in their investment processes.

We are committed to practising active ownership through engagement with companies and working with investment managers to ensure voting rights are exercised appropriately. Our preferred approach is not to exclude particular companies or industries, but rather to use engagement and proxy voting to influence the behaviour of companies.

For the Australian shares and international shares exposures of the investment options, in exceptional circumstances we may consider excluding certain securities or industries, where activity undertaken:

- > is unlawful in the relevant jurisdiction
- > would lead to contravention of international treaties or conventions ratified by Australia, and/or
- > is a severe breach of accepted business standards.

Exclusions will only be considered where it is deemed not feasible to influence a company through engagement or proxy voting. Prior to exclusions being exercised, consideration is given to the impact of exclusions to the investment options' ability to meet investment objectives, and investment strategy risks such as diversification.

The above approach has given rise to the exclusion of the following activities:

- > the growing and production of tobacco, and
- > the production of controversial weapons, including anti-personnel mines, biological and chemical weapons and cluster weapons.

The activities that may be excluded can change from time to time. These exclusions only apply to the Australian shares and international shares investment mandates where we have an investment management agreement with the investment manager. Exclusions do not generally apply to investments in pooled vehicles.

2. Risks of super

Things you should consider before investing

Your investment style

Some things you should consider before making an investment choice are the length of time your money will be invested, the amount of money you're investing, your attitude to risk, the level of risk you're comfortable with, the level of earnings you're expecting from your investments and other investments you may already have.

An aggressive member has a higher proportion of higher risk investments. Growth assets, such as international and Australian shares and property, are generally viewed as high risk assets. A conservative member has a higher proportion of lower risk investments. Defensive assets, such as cash and fixed interest, are generally viewed as low risk assets.

Investment risk and return

All investments contain an element of risk and you should be aware that the value of investments may rise and fall, as may the amount of income generated by those investments. Sometimes investments may not generate any income and losses can occur. Even if an investment doesn't fall in value, it may not perform according to expectations.

Investment returns may be influenced by a variety of factors on both a local and a global scale. These include economic conditions, interest rate movements, exchange rates, liquidity risk, the type of investment, credit risk, government policy, and technological and environmental factors as well as market sentiment and business decisions. In addition, the use of derivatives to hedge risk or gain leverage from asset exposure may impact adversely on returns.

There are two broad categories of investments. Growth assets, such as shares and property, generally have the potential to earn higher returns compared with defensive assets, but can carry higher risk over the short-term. Defensive assets, such as cash and fixed interest, provide a lower probability of capital loss, but generally earn a lower return. By diversifying your investments and investing for an appropriate timeframe you may reduce risk. Asgard Employee Super offers you the opportunity to gain exposure to the various types of assets by investing in a range of managed investments. Your return from a managed investment is measured by its change in capital value over time and the income distributions you receive.

It's important to understand that investment returns from these managed investments are not guaranteed and sometimes managed investments may not generate any income and capital losses can occur. When considering investing in super, it's also important to understand that the laws affecting superannuation may change in the future and the amount of your superannuation savings (including contributions and returns) may not be enough to provide adequately for your retirement.

Diversification

One of the best ways to help manage risk is to diversify your portfolio. Diversification means spreading your investment across different investments such as different asset classes.

This helps reduce risk because the impact of poorly performing investments can be offset by the benefit of investments that are performing well. So by diversifying your portfolio, you can help reduce extremes in performance and reduce risk.

Investment timeframe

History shows that the impact of extreme price movements experienced in higher risk investments can be reduced by investing over longer periods (five years or more). Investing in high risk assets for the short-term may expose you to significant gain or loss but the likelihood of losses when invested in high risk assets generally reduces over the long-term.

Members investing in cash for the long-term potentially expose themselves by investing too conservatively and their investment being devalued by inflation.

Consequently, your investment timeframe is an important factor in determining your investment style.

Investing involves risks

There will always be the risk of fluctuations in the value of an investment. Investment risk can be managed and even minimised but it cannot be completely eliminated. It is important to understand that not all risks are foreseeable. There is always the chance that you may lose money on any investment you make. Some common types of investment risks are outlined in the table on the next page.

| Risk type | Description |
|-------------------------------------|--|
| Security specific risk | An investment in, or exposure to, a company or managed fund may be affected by unexpected changes in that company's or managed fund's operations (due to quality of management, use of technology, etc) or its business environment. |
| Market risk | Markets are affected by a multitude of factors including economic and regulatory conditions, market sentiment, political events and environmental and technology issues. These could have a negative effect on the returns of all investments in that market and this may affect investments differently at various times. |
| Currency risk | If an investment is held in international assets, a rise in the Australian dollar relative to other currencies may negatively impact investment values or returns. |
| Interest rate risk | Changes in interest rates can have a negative impact, either directly or indirectly, on investment value or returns of all types of assets. |
| Derivatives and gearing 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. Potential gains and losses from derivative transactions can be substantial. |
| Alternative investments risk | Underlying funds may invest in 'alternative investments'. Alternative investments is a category that includes a range of sophisticated investments including hedge funds, venture capital, private equity, leveraged and management buyouts, commodities and futures trading funds. Like shares, property, fixed interest and cash, alternative investments are subject to certain risks that may include periods of large market falls, high volatility or reduced liquidity (ie the ability to sell investments immediately). Certain alternative investments carry significant risk. In addition, losses may arise due to other factors, including poor judgement, misconduct or fraud. Some investment strategies are reliant on key individuals. Some alternative investments may be based in countries where the level of regulatory supervision is lower than in Australia. |
| Credit risk | There is a risk of loss arising from the failure of a debtor or other party to a contract to meet their obligations. This potentially arises with various investments including derivatives and fixed interest and mortgage securities. |
| 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 either because there are not enough buyers in the market for the particular investment or due to disruptions in the marketplace. Securities in small companies in particular may, from time to time and especially in falling markets, become less liquid. |
| Legal and regulatory risk | Changes are frequently made to superannuation law, which may affect your ability to access your investments. Changes can also occur in the taxation of super, which may affect the value of your investment. |

Standard Risk Measure

Each managed investment offered through Asgard Employee Super has been assigned a Standard Risk Measure (SRM). The SRM is an estimate of the number of negative annual returns that may be experienced over any 20 year period as shown in the table below:

| Risk band | Risk label | Estimated number of negative annual returns over any 20 years 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 SRM is based on industry guidance to allow members to compare managed investments that are expected to deliver a similar number of negative annual returns over any 20 year period. The SRM allows you to compare the level of risk of the managed investments within Asgard Employee Super as well as other investments available through other super funds.

The SRMs are determined using a model that takes into account a wide range of economic and investment factors (including expected asset class returns, volatilities and cross correlations between asset classes, amongst other things) and Investment manager fees.

The SRM is not a complete assessment of all forms of investment risk. For example, it does not detail what the size of a potential negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. It also does not take into account the impact of Administration fees and tax on the likelihood of a negative return. You should ensure you're comfortable with the risks and potential losses associated with the managed investment(s) you choose to invest in. The SRM is general information only and does not take into account your personal financial situation or needs. You should consult your financial adviser to obtain advice that is tailored to suit your personal circumstances.

3. Asgard MySuper (Default)

There are seven different Asgard MySuper Lifestage Investment Options:

- > Asgard MySuper 1940's Lifestage Investment Option
- > Asgard MySuper 1950's Lifestage Investment Option
- > Asgard MySuper 1960's Lifestage Investment Option
- > Asgard MySuper 1970's Lifestage Investment Option
- > Asgard MySuper 1980's Lifestage Investment Option
- > Asgard MySuper 1990's Lifestage Investment Option
- > Asgard MySuper 2000's Lifestage Investment Option

Your Asgard MySuper Lifestage Investment Option gives you access to a portfolio of assets through the Asgard MySuper PST, which holds units in a corresponding Lifestage managed investment.

The Lifestage managed investments are managed by Advance. Advance applies their 'multi-manager' investment style to manage these investments. The asset allocation and ranges of your Asgard MySuper Lifestage Investment Option change as you get older and as your investment becomes more conservative. We may change your asset allocation to suit market conditions but will stay within the minimum and maximum range shown in brackets in the strategic asset allocation table within the Investment Strategy section below.

Investment strategy

The Asgard MySuper Lifestage Investment Options aim to achieve an appropriate level of risk and return over time by automatically adjusting the mix of assets as you move closer to retirement. When you are younger (and have more time to withstand fluctuations in the value of your investment), the Asgard MySuper Lifestage Investment Option will be more growth oriented to target a higher return. Over time the Asgard MySuper Lifestage Investment Options will gradually shift to a more conservative asset mix. It does this by reducing the allocation to growth assets, such as shares and property, and increasing the allocation to defensive assets, such as fixed income and cash.

The following table shows the strategic asset allocation for each Asgard MySuper Lifestage Investment Option as at 1 July 2018. The strategic asset allocation is the mix of growth and defensive assets set with the aim of achieving the investment return objective. The investment manager may change the asset allocation to suit market conditions but will stay within the minimum and maximum range shown in brackets.

The strategic asset allocation and ranges for the Asgard MySuper Lifestage Investment Options are set out below:

| Asgard MySuper Lifestage Investment Options | | | | | | | |
|--|-------------|-------------|-----------|-------------|-------------|-------------|-------------|
| Asset Type (%) | 1940's | 1950's | 1960's | 1970's | 1980's | 1990's | 2000's |
| Equity - Australian Listed | 10 | 13 | 24 | 34 | 34 | 34 | 34 |
| Range | (0-25) | (0-28) | (9-39) | (19-49) | (19-49) | (19-49) | (19-49) |
| Equity - International Listed | 9 | 14 | 28 | 42 | 42 | 42 | 42 |
| Range | (0-24) | (0-29) | (13-43) | (27-57) | (27-57) | (27-57) | (27-57) |
| Property | | | | | | | |
| > Australian Listed | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| > Australian Unlisted | 0 | 0 | 1 | 1 | 1 | 1 | 1 |
| > International Listed | 1 | 1 | 1 | 3 | 3 | 3 | 3 |
| > International Unlisted | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Range | (0-19) | (0-19) | (0-20) | (0-23) | (0-23) | (0-23) | (0-23) |
| Commodities - International Listed | 0 | 0 | 1 | 2 | 2 | 2 | 2 |
| Range | (0-5) | (0-5) | (0-6) | (0-7) | (0-7) | (0-7) | (0-7) |
| Fixed Income - Australian | 24 | 22 | 12 | 1 | 1 | 1 | 1 |
| Range | (9-39) | (7-37) | (0-27) | (0-16) | (0-16) | (0-16) | (0-16) |
| Fixed Income - International | 28 | 25 | 14 | 1 | 1 | 1 | 1 |
| Range | (13-43) | (10-40) | (0-29) | (0-16) | (0-16) | (0-16) | (0-16) |
| Infrastructure - International Unlisted | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| Range | (0-17) | (0-17) | (0-18) | (0-18) | (0-18) | (0-18) | (0-18) |
| Other - Growth Alternatives | 1.5 | 1.5 | 1 | 0.5 | 0.5 | 0.5 | 0.5 |
| Other - Defensive Alternatives | 5.5 | 5.5 | 6 | 5.5 | 5.5 | 5.5 | 5.5 |
| Range | (0-22) | (0-22) | (0-22) | (0-21) | (0-21) | (0-21) | (0-21) |
| Cash - Australian | 16 | 13 | 6 | 3 | 3 | 3 | 3 |
| Range | (0-31) | (0-28) | (0-21) | (0-18) | (0-18) | (0-18) | (0-18) |
| Total defensive assets | 75.5 | 67.5 | 41 | 13.5 | 13.5 | 13.5 | 13.5 |
| Total growth assets | 24.5 | 32.5 | 59 | 86.5 | 86.5 | 86.5 | 86.5 |



For more information about Asgard MySuper including the investment return, objective and level of risk please see the '**Option 1 - Asgard MySuper (Default)**' section in '**4. How we invest your money**' in the PDS.

4. Asgard SMA - Funds

Investment objectives

The Diversified Multi-Blend Funds are designed for members seeking stability and consistency of returns across the five different risk profiles - Defensive, Moderate, Balanced, Growth and High Growth.

The portfolios seek to deliver above average returns by:

- > identifying and implementing investment strategies,
- > selecting top quality investment managers across asset sectors,
- > optimising the asset allocation mix between investment managers and across asset sectors,
- > using specialist active asset allocation investment managers.

In addition, the Diversified Multi-Blend Funds place a strong emphasis on risk reduction and liquidity management. Risk control is a key element of the design and management of the portfolios, while liquidity management will ensure the transparency and liquidity of investment holdings. Risk reduction is achieved through diversification across three areas – asset sectors, investment managers and the individual investment styles of investment managers.

The Diversified Multi-Blend Funds aim to reduce the extent of fluctuations in returns brought about by investment style, and are designed to deliver good performance across different market cycles.

Investment process

The Diversified Multi-Blend Funds are managed by Advance, a specialist asset management business within the Westpac Group. They're a manager of investment managers, which means they hand-pick investment managers to create a unique investment solution.

Advance's investment team provides in-depth monitoring and analysis of the Diversified Multi-Blend Funds and the managers behind them. As they don't directly manage money themselves, they're able to make an expert, unbiased assessment about the investment managers who manage your money. They aim to deliver the best risk/return balance for you through broad diversification, quality risk management and access to some of the world's best investment managers, many of which are not usually directly available to retail super members.

Advance applies the following process to manage the funds:

1. Objective Setting

Advance sets objectives for each Diversified Multi-Blend Fund so there's a sound framework to make asset allocation and asset class strategy decisions. Throughout each step of the process, decisions are underpinned by rigorous risk identification and assessment.

2. Asset allocation modelling

The long-term strategic risk/return forecasts are considered for each asset class, to ensure the Diversified Multi-Blend Funds are structured with the aim of consistently delivering superior returns relative to risk. Tactical shifts to the structure may also be implemented when necessary to protect or enhance capital.

3. Asset class structuring

Comprehensive research is conducted on the unique features, dynamics and risks of each asset class, so Advance can determine the most suitable long-term investment strategy for each asset class. The aim is to provide stable and consistent returns by applying a uniform strategy across all Diversified Multi-Blend Funds.

4. Manager Selection

Through the manager selection process Advance assesses multiple features of each investment manager:

- > strength of business, investment philosophy and investment process,
- > depth and quality of research,
- > portfolio construction skills,
- > skills and depth of experience in individuals and team,
- > performance.

Essentially, this screening process produces a shortlist that is then analysed for maximum blending potential.

5. Manager blending

When blending the investment managers, Advance decides the percentage of the Diversified Multi-Blend Funds that each investment manager is responsible for. Consideration is given to qualitative factors for each investment manager, including long-term performance and trends, and analysis of risk and style over time. Detailed quantitative analysis is then applied, such as market outlook, key personnel interviews and ownership assessments, to ensure the combination of managers has the potential to perform efficiently within different market conditions.

6. Monitoring and review - Diversified Multi-Blend Funds

Advance is always monitoring and reviewing the Diversified Multi-Blend Funds to ensure they're positioned to take advantage of market opportunities. An important part of this is the daily monitoring of the investment managers. They also carry out weekly compliance checks, and monthly and quarterly performance reviews.

7. Monitoring and review - portfolios

Advance also reviews the portfolios to ensure they're optimally positioned at all times. As a result of these reviews Advance may, from time to time, change the:

- > structure of the portfolios,
- > managed investment(s) that comprise the portfolios,
- > asset allocation ranges for the portfolios,
- > strategic benchmarks for each portfolio.



Changing your investment choice

You can change your investment strategy at any time by selecting a different Asgard SMA - Fund portfolio. You can do this by completing the Investment Selection form in the List of Available Investment Options Booklet and forwarding the new instructions to us.

Alternatively, your financial adviser (if you have one) can do this for you online using AdviserNET. If you choose a new portfolio, we'll buy and sell managed investments. The sale of managed investments will generally result in the realisation of capital gains or losses.

Portfolio Characteristics of the Asgard SMA – Funds

Key characteristics of each of the five portfolios are shown in the tables below:

| Key statistics | SMA - Funds Defensive Portfolio | | | SMA - Funds Moderate Portfolio | | |
|---|---|-------------|-------------|---|-------------|-------------|
| Underlying investment | Defensive Multi-Blend Fund | | | Moderate Multi-Blend Fund | | |
| Who is this suitable for? | Members seeking a higher return than that available from cash, who are prepared to accept a modest exposure to growth assets. | | | Members seeking a higher return than that available from cash, who are prepared to accept a moderate exposure to growth assets. | | |
| Objective | To provide income with a low risk of capital loss over the short to medium-term with some capital growth over the long-term. | | | To provide relatively stable total returns (before fees and taxes) over the short to medium-term with some capital growth over the long-term through a diversified mix of growth and defensive assets. | | |
| Strategy | <p>The Fund invests in a diverse mix of assets with a majority (about 70%) in the defensive assets of cash and fixed interest and a modest investment (about 30%) in growth assets, such as shares and property.</p> <p>The Fund's exposure to these asset classes will be obtained primarily by investing directly into sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.</p> | | | <p>The Fund invests in a mix of defensive assets (around 50%) such as cash and fixed interest and growth assets (around 50%) such as shares and property.</p> <p>The Funds' exposure to these asset classes will be obtained primarily by investing directly into sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trust.</p> | | |
| Minimum suggested investment timeframe | 3 years | | | 4 years | | |
| Standard Risk Measure¹ | 3 - Low to medium | | | 4 - Medium | | |
| Asset allocation ranges We manage the allocation to each asset sector (or subsector) within set parameters shown here to meet the objectives of the portfolio | Advance Defensive Multi-Blend Fund | Min% | Max% | Advance Moderate Multi-Blend Fund | Min% | Max% |
| | Equity - Australian Listed | 0 | 31 | Equity - Australian Listed | 0 | 39 |
| | Equity - International Listed | 0 | 31 | Equity - International Listed | 0 | 41 |
| | Property - Australian Listed | | | Property - Australian Listed | | |
| | Property - International Listed | 0 | 20 | Property - International Listed | 0 | 21 |
| | Property - International Unlisted | | | Property - International Unlisted | | |
| | Fixed Income - Australian | 2 | 42 | Fixed Income - Australian | 0 | 35 |
| | Fixed Income - International | 7 | 47 | Fixed Income - International | 0 | 39 |
| | Commodities - International Listed | 0 | 6 | Commodities - International Listed | 0 | 6 |
| | Infrastructure - International Unlisted | 0 | 17 | Infrastructure - International Unlisted | 0 | 18 |
| | Other - Growth Alternatives | | | Other - Growth Alternatives | | |
| | Other - Defensive Alternatives | 0 | 22 | Other - Defensive Alternatives | 0 | 22 |
| | Cash | 0 | 34 | Cash | 0 | 29 |

¹ For more information about the Standard Risk Measure, please refer to the 'Standard Risk Measure' section of this Booklet.

| Key statistics | SMA - Funds Balanced Portfolio | | | SMA - Funds Growth Portfolio | | |
|---|--|-------------|-------------|--|-------------|-------------|
| Underlying investment | Balanced Multi-Blend Fund | | | Growth Multi-Blend Fund | | |
| Who is this suitable for? | Members seeking a medium to long-term investment and moderate/high returns, who accept the possibility of a decline in capital values. | | | Members seeking a long-term investment with high potential returns, who accept the possibility of a decline in capital values. | | |
| Objective | To provide moderate to high total returns (before fees and taxes) over the medium-term from a combination of capital growth and income through a diversified mix of growth and defensive assets. | | | To provide high returns (before fees and taxes) over the long-term through capital growth by investing predominantly in growth assets. | | |
| Strategy | <p>The Fund invests in a diverse mix of assets with both income-producing assets (around 30%) of cash and fixed interest, and growth assets (around 70%) including shares and property.</p> <p>The Fund's exposure to these asset classes will be obtained primarily by investing directly into sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.</p> | | | <p>The Fund invests in a diverse mix of assets with an emphasis (about 85%) on the growth oriented assets of Australian and international shares, and investment (about 15%) in the defensive assets of cash and fixed interest providing some income and stability of returns. The Fund's exposure to these asset classes will be obtained primarily by investing directly into sector specific funds. The Fund may also hold assets directly, including derivatives, currency and other unit trusts.</p> | | |
| Minimum suggested investment timeframe | 5 years | | | 6 years | | |
| Standard Risk Measure¹ | 5 - Medium to high | | | 6 - High | | |
| Asset allocation ranges We manage the allocation to each asset sector (or subsector) within set parameters shown here to meet the objectives of the portfolio | Advance Balanced Multi-Blend Fund | Min% | Max% | Advance Growth Multi-Blend Fund | Min% | Max% |
| | Equity - Australian Listed | 6 | 46 | Equity - Australian Listed | 12 | 52 |
| | Equity - International Listed | 12 | 52 | Equity - International Listed | 20 | 60 |
| | Property - Australian Listed | | | Property - Australian Listed | | |
| | Property - International Listed | 0 | 22 | Property - International Listed | 0 | 23 |
| | Property - International Unlisted | | | Property - International Unlisted | | |
| | Fixed Income - Australian | 0 | 26 | Fixed Income - Australian | 0 | 22 |
| | Fixed Income - International | 0 | 32 | Fixed Income - International | 0 | 24 |
| | Commodities - International Listed | 0 | 7 | Commodities - International Listed | 0 | 7 |
| | Infrastructure - International Unlisted | 0 | 18 | Infrastructure - International Unlisted | 0 | 18 |
| | Other - Growth Alternatives | 0 | 22 | Other - Growth Alternatives | 0 | 21 |
| | Other - Defensive Alternatives | | | Other - Defensive Alternatives | | |
| | Cash | 0 | 25 | Cash | 0 | 23 |

¹ For more information about the Standard Risk Measure, please refer to the 'Standard Risk Measure' section of this Booklet.

| Key statistics | SMA - Funds High Growth Portfolio | | |
|---|---|-------------|-------------|
| Underlying investment | High Growth Multi-Blend Fund | | |
| Who is this suitable for? | Members seeking a long-term investment with high potential returns, who accept the possibility of a decline in capital values. | | |
| Objective | To provide high total returns (before fees and taxes) over the long-term through capital growth by investing predominantly in growth assets. | | |
| Strategy | <p>The Fund invests primarily in growth assets such as Australian and international shares and property.</p> <p>The Fund's exposure to these asset classes will be obtained primarily by investing directly into sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.</p> | | |
| Minimum suggested investment timeframe | 7 years | | |
| Standard Risk Measure¹ | 6 - High | | |
| Asset allocation ranges We manage the allocation to each asset sector (or subsector) within set parameters shown here to meet the objectives of the portfolio | Advance High Growth Multi-Blend Fund | Min% | Max% |
| | Equity - Australian Listed | 20 | 60 |
| | Equity - International Listed | 24 | 64 |
| | Property - Australian Listed | | |
| | Property - International Listed | 0 | 24 |
| | Property - International Unlisted | | |
| | Commodities - International Listed | 0 | 7 |
| | Infrastructure - International Unlisted | 0 | 18 |
| | Other - Growth Alternatives | 0 | 15 |
| | Other - Defensive Alternatives | 0 | 15 |
| | Cash | 0 | 15 |

¹ For more information about the Standard Risk Measure, please refer to the 'Standard Risk Measure' section of this Booklet.

Detailed information on each of the Diversified Multi-Blend Funds can be found in the product disclosure statement for these underlying managed investments issued by Advance. The product disclosure statement is available free of charge on request from your financial adviser, or from Investor *Online*, or from us.

We have negotiated Investment manager fees with Advance for the Diversified Multi-Blend Funds that differ from the Investment manager fees disclosed in the product disclosure statement for the Diversified Multi-Blend Funds. Please refer to the List of Available Investment Options Booklet for the full list of Investment manager fees.

5. Asgard Managed Profiles

Asgard Managed Profiles enables you to design your own investment profile from the extensive range of managed investments listed in the Investment Selection form in the List of Available Investment Options Booklet.

General information about managed investments

Managed investments (also known as managed funds) provide you with access to the investment expertise of professional investment teams.

Your money is pooled with that of other members, so you can invest in a broader range of assets with potentially hundreds of well-researched investments from around the world. This includes investments which would not normally be available to you if you were investing on your own.

You can choose to invest in a managed investment that concentrates on one particular asset sector, or structure your investments so that you invest in a combination of asset types. The diversification you achieve by investing in a number of managed investments reduces the risk to your portfolio because you're not reliant on the performance of one particular asset or asset sector.

General information about shares

Shares are generally bought and sold on a stock exchange through a broker and represent part ownership of a company. The returns from shares include capital growth or loss and, depending on the share, income through dividends. Shares will generally deliver the highest return of all asset sectors over the medium to long-term. However, they historically also exhibit the highest fluctuations in values in the short-term. The return achieved will be influenced by factors such as company performance and earnings, interest rates and the general economic outlook.

General information about term deposits

We offer a range of term deposits with differing maturities/terms and interest payment options. You can learn more about the current terms and rates available from your financial adviser, or by calling us on 1800 998 185.

Term deposits provide fixed interest rates for a fixed length of time which means that you are protected from any decreases in interest rates during the term of your investment in the term deposit. However, you may not be able to take advantage of interest rate increases should interest rates rise during the term of your investment.

Term deposits are suitable for members who have an understanding of when they are likely to need to access funds in the future. They are not suitable for anyone who may suddenly need access to any funds in their term deposit as term deposits generally cannot be withdrawn before maturity.

For information on applicable term deposit terms, conditions and restrictions, refer to the relevant term deposit product disclosure statement, which you can obtain from your financial adviser, or by calling us on 1800 998 185.

How we select managed investments

We conduct extensive research to narrow down the field of potential investments before choosing which ones to make available through Asgard Employee Super. When selecting a suitable option, we take into consideration the quality of the investment manager's business, stability of its investment team, past performance and its investment management process.

How we select shares

Asgard Employee Super provides an opportunity to purchase shares that are approved by us. These shares appear on the list of available securities. Shares which are on the list of available securities are generally the ASX top 300 listed securities by market capitalisation. If shares are removed from the ASX top 300 listed securities, we will not force a sell down of these shares, however, you won't be able to make any further investment in these shares.

Understanding asset classes

The managed investments available through your account invest in one or more of the following asset classes:

| Asset class | Classification |
|----------------------|----------------|
| Cash | Income |
| Fixed interest | |
| Mortgages | |
| Australian shares | Equity |
| International shares | |
| Property securities | Property |

In the Investment Selection form in the List of Available Investment Options Booklet, managed investments which tend to invest exclusively (or almost exclusively) in one of these asset classes are grouped into the following three specialist categories:

- > Income
- > Equity
- > Property.

In addition, there are multi-sector managed investments available, which invest across a range of asset classes. You have the option to invest in managed investments from each category to create a diversified portfolio. Each category offers a choice of investments from many of Australia's leading investment managers.

If you would like to know more about the features of a specific managed investment, please consult your financial adviser (if you have one) and the relevant product disclosure statement or other disclosure documents. You can obtain a copy of these disclosure documents free of charge and on request from your financial adviser (if you have one), or from Investor *Online*, or from us.

Shares (available in Asgard Managed Profiles only)

In addition to managed investments, you can also purchase listed securities with the help of your adviser. These include:

- > shares in most top 300 Australian companies (based on market capitalisation),
- > shares in a selection of listed investment companies,
- > units in a selection of listed property trusts.

Setting up your account for share trading

If you wish to trade shares through your account, you and your financial adviser will need to:

- > nominate on your Application or Account Amendment form that you want to trade shares through your account,
- > make a dividend election.

We'll set up a Share Trading Account as part of your account. You'll need to deposit money into your Share Trading Account to buy shares. You can do this by:

- > making a deposit to your account by cheque or electronic fund transfer and sending us a Contribution Remittance Advice form which shows the deposit for your Share Trading Account,
- > instructing your financial adviser to transfer funds from your cash account to your Share Trading Account.

Holder Identification Number (HIN)

A HIN will be assigned to your Share Trading Account.

Your HIN is unique to your Share Trading Account. You can only have one HIN per account. If you transfer shares from an existing account to a new super account, a new HIN will need to be generated for the new account. If you currently have a HIN that you've used with a broker, you cannot use this HIN for your Asgard Employee Super Share Trading Account.

Broker

We have appointed Australian Investment Exchange Limited (ABN 71 076 515 930, AFSL 241400) (AUSIEX) as our broker and settlement agent. AUSIEX performs broker and settlement services for us.

Trading shares

Through your account, you have access to a broad range of ASX-listed securities. We review the range of available listed securities on a regular basis and securities may be added or removed at any time. Your financial adviser can provide you with an up-to-date list of available securities.

If a security is removed, you won't be able to invest additional amounts into that security, however, you may retain your existing investment and continue participating in any dividend reinvestment plan available for that security. You can sell at any time.

Your financial adviser places share orders through our broker. The costs or proceeds of share trades are settled through your Share Trading Account.

Please note: we do not facilitate the trading of listed securities if they are trading on a deferred settlement basis.

Buying shares

If you choose to purchase shares, you should be comfortable doing so and accept that they may cause significant volatility of returns within your investment portfolio. There's no minimum buy amount for share purchases, subject to broker limits and market rules.

Your financial adviser submits your buy instruction through us to the broker and the broker will place your order with the ASX. We'll use money from your Share Trading Account to settle the purchase and the brokerage.

Funding share purchases

You're required to fund share purchases, including the purchase price plus any share trading fees such as brokerage. In order to fund the share purchase, you must have, at the time your financial adviser places your instruction with the broker:

- > sufficient funds available in your Share Trading Account,
- > sufficient pending proceeds from unsettled share sales previously placed through the broker, or
- > a combination of both.

Your financial adviser can set an expiry date for share buys submitted with the broker. The expiry date can be either good for a day (applicable to 'at market' and 'at limit' orders), or good

until cancelled, which can be up to 28 days (applicable to 'at limit' orders). If sufficient funds become available before an expiry date, we'll automatically place your buy order with the broker.

For more information on share brokerage, please see 'Share brokerage' in the 'Fees and other costs' section in the Additional Information Booklet Part 1 – General.

Restrictions on shareholdings

To help minimise the risks from inadequate diversification, we've introduced limits on exposure to shares. We aim to ensure that, at the time of purchase, no more than 30% of the total value of your account (including your cash account balance) is invested in a single share.

We may allow you to invest up to 90% of the total value of your account in certain Exchange Traded Funds (ETFs). Please contact us for more information on the ETFs available for investment through your account and the limits/restrictions that apply to these securities.

We will review your account on a six monthly basis to ensure the value of your shares is kept within the above limits.

If the value of a share rises above the limit, we'll aim to notify your financial adviser by email. If an adjustment is not made to your account following the notice to your financial adviser, you agree that we may make this adjustment ourselves and sell shares through your account to bring the value of shares back to within the required limit.

We recommend you and your financial adviser monitor your account on a regular basis to ensure the value of your shares stays within the required limit.

Share dividends

Depending on the shares you hold, you may be able to elect to receive dividends as either additional securities (that is, reinvest dividends under a Dividend Reinvestment Plan (DRP)) or to receive dividends as cash.

If you elect to receive dividends as cash, any cash dividends you receive will be paid into your cash account.

You can participate in DRPs, however this election will be applied across all of the shares held through your account where a DRP is available.

You cannot choose to receive dividends as cash for one shareholding while electing to participate in a DRP for another shareholding. If a DRP is not available for a share, or there's a residual cash portion on your DRP, the dividend will be received as cash and deposited into your cash account.

When submitting your dividend instruction, your financial adviser must allow up to three business days for us to forward your instruction to the relevant share registry and generally another ten business days (or longer) for the share registry to process this instruction. Failure to provide us and the share registry with adequate time to process your instruction may result in your instruction not being processed in time for the election to apply to that particular dividend.

Corporate actions

Corporate actions are events that affect your share holdings. Some corporate actions provide members with different options (voluntary corporate actions) so each member can elect the option they believe is best suited to their personal circumstances.

Other corporate actions simply occur (mandatory corporate actions), and members have no options available to them other than to accept the default election as advised by the share registry.

Examples of corporate actions include bonus issues, rights issues, distributions, buy backs, takeovers and call payments.

Participating in corporate actions

All listed securities are held in our name as trustee. This means you won't receive any communications relating to corporate actions directly from the share registries. We have control over all corporate actions. When a corporate action is announced, we'll make a decision on whether to allow you to participate in all, some or none of the options offered under that corporate action. If you're not allowed to participate in a corporate action, the default option (if any) will apply.

The types of voluntary corporate actions we may make available to you and the way you can participate in them are outlined in the table below:

| | |
|--|--|
| What types of corporate actions can you participate in? | Provided the corporate action is approved by us, we'll allow you to participate in the corporate action through your financial adviser. (Please note: you will not have access to direct shareholder rights including voting and general meetings.) |
| Who receives correspondence regarding corporate actions? | Corporate action notices are sent to us. We'll aim to notify your financial adviser of these events. No corporate action notices will be sent to you. |
| How do you lodge an election for a corporate action? | We participate in corporate actions on your behalf. Where we've given you the ability to make an election, you can submit your election to us online through your financial adviser. |
| When do corporate action elections need to be made by? | Your financial adviser will need to submit your election to us by our cut-off time, which may be earlier than the cut-off time advised by the share registry. (This is to ensure we have sufficient time to submit your election with the relevant share registry). Your financial adviser can advise you of our cut-off times. If an election is not made prior to our cut-off time, you'll be taken to have made no election and the corporate action default (as outlined in the relevant documentation relating to the corporate action) will apply. |
| How are corporate actions funded? | If cash is required to fund a corporate action, we'll draw funds from your Share Trading Account upon receiving your election. If there are insufficient funds we'll continue to check your Share Trading Account each day up until our cut-off time. If there are no funds by this date, your corporate action election will lapse. |
| How do you receive proceeds from corporate actions? | Proceeds from corporate actions (where applicable) will be deposited in your Share Trading Account. |

Selling shares

No minimum sell amount applies to shares, subject to broker limits and market rules.

Your financial adviser will submit your sell instruction to the broker and the broker will place your trade with the ASX.

The net proceeds from the share sale will be deposited into your Share Trading Account after deducting brokerage.

How to decide which investments are best for you

Before investing, you need to carefully consider how much of your super you're prepared to risk in order to receive potential gains. Your financial adviser (if you have one) can help you choose the right investment strategy to match your tolerance to risk, investment goals and timeframe. It's recommended that you regularly review your investment strategy with the financial adviser for your account to accommodate changes in your circumstances or market conditions over time.

To help you and your financial adviser (if you have one) for your account select the most appropriate investment strategy, there's a product disclosure statement or other disclosure document for each managed investment available through Asgard Managed Profiles. You must receive a copy of the product disclosure statement or other disclosure document for each managed investment you choose, before you make an investment decision. You should read these documents carefully before making any investment decisions and we recommend that you seek specialist financial advice.

Please speak to your financial adviser (if you have one) if you have any questions about the relevant managed investments in terms of whether they suit your financial objectives, situation and needs (including information about fees and risk/return) before deciding to invest. You can obtain a copy of these disclosure documents free of charge on request from your financial adviser, or from Investor *Online*, or from us.

For more information about the type of managed investments and cash products offered in Asgard Managed Profiles, see the Investment Selection form in the List of Available Investment Options Booklet. For more information about the shares offered through Asgard Managed Profiles, please contact your financial adviser (if you have one).

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| | Income | | Equity | | Property | |
|--|--|--|--|--|---|--|
| | Cash | Fixed interest | Mortgages | Australian shares | International shares | Property securities |
| Examples of asset classes (Please see the 'What else?' section of this table for more information about the types of assets) | > Cash | > Australian fixed interest > International fixed interest > Diversified fixed interest | > Mortgage Funds > Bank Bills > Residential Mortgage backed Securities (RMBS) and Commercial Mortgage backed Securities (CMBS) > Government Bonds | > Diversified Equity > Smaller Companies > Socially Responsible Equity > Specialist Equity > Hedge Funds | > Global Equity > Regional Equity > Sector Specialist Equity > Socially Responsible Equity > Hedge Funds | > Property Securities > Diversified Property |
| Who is this suitable for? | Very conservative or cautious members seeking absolute security of capital, or investing for relatively short periods. | Members seeking a return higher than that available from cash, as well as an income stream. Capital losses may occur over the short-term and the level of income may vary from time to time. | Members seeking a return higher than that available from cash and a fairly regular income stream. | Members seeking a long-term investment in a diversified portfolio of Australian share investments, who are prepared to accept the prospect of capital losses in the short-term. | Members seeking a long-term investment in a diversified portfolio of global share investments, who are prepared to accept the prospect of capital losses in the short-term. | Members seeking a medium to long-term investment in a diversified portfolio of listed property securities. |
| Indicative risk bands | Risk band: 1 (Very low) | Risk band: 1 (Very low) to 4 (Medium) | Risk band: 1 (Very low) to 4 (Medium) | Risk band: 6 (High) to 7 (Very high) | Risk band: 6 (High) to 7 (Very high) | Risk band: 5 (Medium high) to 7 (Very high) |
| What are the investment objectives? | To provide a secure return with a low risk of capital loss over any time period. | To provide a higher return than that available from cash over the suggested investment timeframe. | To provide a fairly steady income with a relatively low risk of capital loss over the suggested investment timeframe. Please note: Mortgage investments involve some capital risk and the level of income may vary. | To provide a high relative return over the suggested investment timeframe. A significant proportion of the return from shares is likely to arise from changes in capital values. Returns depend on many factors, including company earnings, interest rates and the general economic outlook. However, short-term investments in the Australian share market show considerable volatility. | To provide a high relative return over the suggested timeframe. A significant proportion of the return from shares is likely to arise from changes in capital values. Returns depend on many factors, including company earnings, global interest rates and the global economic outlook. Currency movements may significantly affect returns. | To provide a return higher than that expected from an income strategy over the suggested investment timeframe. Returns are derived from a balance of income (rental) and capital growth from the underlying properties and property securities. Returns depend on many factors – property values, interest rates, the economic outlook (particularly inflation) and movements in the share market. These investments also provide access to the benefits of investment in property, offering greater liquidity than unlisted property trusts or direct property investments. |
| Minimum suggested timeframe for investment | 0-2 years, or more | 2-3 years, or more | 2-3 years, or more | 5-7 years, or more | 5-7 years, or more | 3-5 years, or more |

| | Income | | | Equity | | Property |
|--|---|--|--|--|---|--|
| | Cash | Fixed interest | Mortgages | Australian shares | International shares | Property securities |
| Security over suggested timeframe | High | Moderate | Moderate | Moderate | Moderate/Low (subject to currency movements). | Moderate |
| Ease of withdrawal | High | High (except for funds with low credit investments) | Moderate to high, as the assets and liabilities of the funds are not matched. The funds offer liquidity to members but invest in illiquid assets. | High (except for Hedge Funds) | High (except for Hedge Funds) | High (except possibly for funds with a portfolio including an unlisted direct property component (that is Diversified Property)) |
| What are the asset allocation ranges? (minimum and maximum) | Cash 100% | Fixed interest 0–40% Cash 60–100% | Mortgages RMBS and CMBS 0–40% Cash and fixed interest securities 60–100% | Australian shares 75–100% Cash 0–25% | International shares 80–100% Cash 0–20% | Property 80–100% Cash 0–20% |
| What else? | Investments are usually spread across short-term securities comprising cash deposits and government and bank-backed securities. Individual securities may have a maturity date of up to one year. The average maturity will be less than one year. Fixed term deposit options are available with investment in bank deposits ‘locked in’ for up to two years. | Investments will generally comprise diversified portfolios of Australian and/ or international fixed interest securities valued regularly to reflect the underlying asset values. Values can vary as interest rates change. Specifically, the value of investments in this strategy may fall during periods when interest rates are rising. Currency movements may significantly affect returns of international fixed interest investments. | Investments will generally comprise diversified portfolios of registered mortgages, securitised assets, bank bills, government bonds and cash. Please note: Many trust deeds allow the manager to delay paying members for up to 60 days if there’s a need to liquidate a mortgage in order to meet a withdrawal request. | Investments will generally comprise diversified portfolios of Australian share investments. Investments can be split broadly across all sectors in the Australian share market (that is, Diversified Equity), those focusing on smaller companies (that is, Smaller Companies), those that take ethical considerations into account (that is, Socially Responsible Equity) and those that invest in either private equity or tax advantaged assets (that is, Specialist Equity). | Investments will generally comprise diversified portfolios of international share investments. Investments can be split between those investing across all world markets (that is, Global Equity), those focusing on specific regions such as South East Asia, Japan, Europe, North America or Emerging Markets (that is, regional Equity), those focusing on specific themes such as Global technology, Global Health and Biotechnology and Global resources (that is, Sector Specialist Equity) and those that take ethical considerations into account (that is, Socially Responsible Equity). | Investments will generally comprise diversified portfolios of listed property securities but may also include an unlisted direct property component (that is, Diversified Property). |

Multi-sector

| | Multi-sector 20 | Multi-sector 40 | Multi-sector 60 | Multi-sector 80 | Multi-sector 100 |
|--|--|--|---|---|---|
| Description | Diversified multi-sector funds where growth assets are less than or equal to 20% of total assets. | Diversified multi-sector funds where growth assets are greater than 20% but less than or equal to 40% of total assets. | Diversified multi-sector funds where growth assets are greater than 40% but less than or equal to 60% of total assets. | Diversified multi-sector funds where growth assets are greater than 60% but less than or equal to 80% of total assets. | Diversified multi-sector funds where growth assets are greater than 80% but less than or equal to 100% of total assets. |
| Who is this suitable for? | Members seeking a higher return than that available from cash, who are prepared to accept a small exposure to growth assets. | Members seeking a higher return than that available from cash, who are prepared to accept a modest exposure to growth assets. | Members seeking a higher return than that available from cash, who are prepared to accept a moderate exposure to growth assets. | Members seeking a medium to long-term investment and moderate/high returns, who accept the possibility of a decline in capital values. | Members seeking a long-term investment with high potential returns, who accept the possibility of a decline in capital values. |
| Indicative risk bands | Risk band: 3 (Low to medium) | Risk band: 4-5 (Medium to high) | Risk band: 4-5 (Medium to high) | Risk band: 5-6 (Medium to high) | Risk band: 6-7 (High to Very high) |
| What are the investment objectives? | To provide a return higher than that available from defensive assets through a small exposure to growth assets. | To provide a return higher than that available from defensive assets through a modest exposure to growth assets. | To provide a return higher than that available from defensive assets through a small exposure to growth assets. | To provide moderate to high returns within the context of a diversified investment portfolio. This is achieved by significant exposure to growth assets. | To provide high returns within the context of a portfolio invested primarily in Australian and international shares. This is achieved by exposure to growth assets with little or no exposure to defensive assets. |
| Minimum suggested timeframe for investment | 2–3 years, or more | 2–3 years, or more | 2–3 years, or more | 3–5 years, or more | 5–7 years, or more |
| What are the asset allocation ranges? (minimum and maximum) | <p>Defensive</p> <p>Cash; Australian fixed interest; International fixed interest 80–100%</p> <p>Growth</p> <p>Australian shares; International shares; Property 0–20%</p> | <p>Defensive</p> <p>Cash; Australian fixed interest; International fixed interest 60–80%</p> <p>Growth</p> <p>Australian shares; International shares; Property 20–40%</p> | <p>Defensive</p> <p>Cash; Australian fixed interest; International fixed interest 40–60%</p> <p>Growth</p> <p>Australian shares; International shares; Property 40–60%</p> | <p>Defensive</p> <p>Cash; Australian fixed interest; International fixed interest 20–40%</p> <p>Growth</p> <p>Australian shares; International shares; Property 60–80%</p> | <p>Defensive</p> <p>Cash; Australian fixed interest; International fixed interest 0–20%</p> <p>Growth</p> <p>Australian shares; International shares; Property 80–100%</p> |
| What else? | Volatility in interest rates may cause the prices of fixed income investments in the strategy to move up and down, affecting the current market value of the strategy. | Volatility in interest rates may cause the prices of fixed income investments in the strategy to move up and down, affecting the current market value of the strategy. | It's possible that the value of the investment may rise or fall depending on the exposure to growth assets, such as shares. Also, volatility in interest rates may cause the prices of fixed income investments in the strategy to move up and down, also affecting the current market value of the strategy. | Growth may be achieved either through a significant exposure to shares and/or property. The market value of an investment will rise or fall depending on whether the value of the assets in the portfolio rise or fall. The market value could fall over some periods due to volatility of prices of the underlying assets. | Growth may be achieved either through a significant exposure to shares and/or property. The market value of an investment will rise or fall depending on whether the value of the assets in the portfolio rise or fall. The market value could fall over some periods due to volatility of prices of the underlying assets. |