Account-based pensions

How the investment options are invested

Investment option	High Growth	Growth	Balanced
SAA and Allowable ranges	**SAA / Allowable range** Australian Shares 34.0% 19-49% International Shares 45.0% 30-60% Private equity 4.0% 0-19% Infrastructure 9.0% 0-24% Property 4.0% 0-19% Credit 3.0% 0-18% Cash 1.0% 0-16%	**SAA / Allowable range** Australian Shares 29.0% 14-44% International Shares 36.0% 21-51% Private equity 4.0% 0-19% Infrastructure 9.0% 0-24% Property 6.0% 0-21% Credit 7.0% 0-22% Fixed income 7.0% 0-22% Cash 2.0% 0-17%	**SAA / Allowable range** Australian Shares 24.0% 9-39% International Shares 32.0% 17-47% Private equity 4.0% 0-19% Infrastructure 9.0% 0-24% Property 6.0% 0-21% Credit 7.0% 0-22% Fixed income 13.0% 0-28% Cash 5.0% 0-20%
Description	Invests primarily in shares, that aim to maximise returns by taking greater risk, with a small allocation to defensive assets such as cash.	Invests mostly in growth assets, such as shares, that aim to maximise returns by taking greater risk, with some allocation to infrastructure, credit and property (which have a mix of growth and defensive characteristics). Growth also invests a small amount in cash and fixed income, which reduces some short-term risk but generally provides lower long-term returns.	Invests mostly in growth assets, such as shares, that aim to maximise returns by taking greater risk, with some allocation to infrastructure, credit and property (which have a mix of growth and defensive characteristics). Balanced also invests in cash and fixed income, which reduces some short-term risk but generally provides lower long-term returns.
Investment objectives	Achieve a return exceeding the increase in the Consumer Price Index (CPI) by at least 4.5% pa, after tax and investment costs, over any 10 year period.	Achieve a return exceeding the increase in the Consumer Price Index (CPI) by at least 4% pa, after tax and investment costs, over any 10 year period.	Achieve a return exceeding the increase in the Consumer Price Index (CPI) by at least 3.5% pa, after tax and investment costs, over any 10 year period.
Risk profile	**Risk level – high.** Estimated annual negative returns over any 20 year period – 4 to less than 6.[1] Minimum time to invest – at least five years.	**Risk level – medium to high.** Estimated annual negative returns over any 20 year period – 3 to less than 4.[1] Minimum time to invest – at least five years.	**Risk level – medium to high.** Estimated annual negative returns over any 20 year period – 3 to less than 4.[1] Minimum time to invest – at least four years.

[1] These negative returns can be experienced several years apart or several years in a row within the 20 year period.

Moderate

	SAA	Allowable range
Australian Shares	18.0%	3-33%
International Shares	24.0%	9-39%
Private equity	3.0%	0-18%
Infrastructure	9.0%	0-24%
Property	6.0%	0-21%
Credit	6.0%	0-21%
Fixed income	24.0%	9-39%
Cash	10.0%	0-25%

Invests in a mix of both growth assets, such as shares, and defensive assets such as fixed income and cash. It also has some allocation to infrastructure, credit and property (which have a mix of growth and defensive characteristics). Growth assets look to maximise returns by taking greater risk, while defensive assets reduces some short-term risk but generally provides lower long-term returns.

Achieve a return exceeding the increase in the Consumer Price Index (CPI) by at least 3.0% pa, after tax and investment costs, over any 10 year period

Risk level – medium.

Estimated annual negative returns over any 20 year period – 2 to less than 3.[1]

Minimum time to invest – at least three years.

Indexed Defensive

	SAA	Allowable range
Australian Shares	16.0%	1-31%
International Shares	24.0%	9-39%
Fixed income	36.0%	21-51%
Cash	24.0%	9-39%

Indexed Defensive is a low cost investment option that's predominately invested in passively managed investments with the majority of its defensive assets in fixed income and cash. The growth assets include Australian and International Shares. Defensive assets generally have lower short-term risk, but provide lower long-term returns. Growth assets aim to maximise returns by taking greater risk.

Achieve a return exceeding the increase in the Consumer Price Index (CPI) by at least 2% pa, after tax and investment costs, over any 10 year period.

Risk level – medium.

Estimated annual negative returns over any 20 year period – 2 to less than 3.[1]

Minimum time to invest – at least three years.

Defensive

	SAA	Allowable range
Australian Shares	11.0%	0-26%
International Shares	14.0%	0-29%
Infrastructure	8.0%	0-23%
Property	6.0%	0-21%
Credit	6.0%	0-21%
Fixed income	40.0%	25-55%
Cash	15.0%	0-30%

Invests primarily in defensive assets, such as cash and fixed income, that aim to provide lower short-term risk, with some allocation to growth assets like shares. It also has some allocation to infrastructure, credit and property (which have a mix of growth and defensive characteristics).

Achieve a return exceeding the increase in the Consumer Price Index (CPI) by at least 2.0% pa, after tax and investment costs, over any 10 year period.

Risk level – low to medium.

Estimated annual negative returns over any 20 year period – 1 to less than 2.[1]

Minimum time to invest – at least three years.

Secure

	SAA
Australian Shares	10.0%
Cash	90.0%

Secure aims to provide a low-risk investment. It invests predominantly in cash (a defensive asset class), with a small allocation to Australian shares. Defensive assets have lower short-term risk, but provide low long-term returns. It's possible Secure could generate a negative return, particularly over the short-term, as outlined below under the 'Standard Risk Measure'.

Before investment fees and relevant superannuation taxes, to track the return of a composite benchmark comprising 90% RBA Cash Rate and 10% S&P / ASX 200 Accumulation index (Net Total Return).

Risk level – very low.

Estimated annual negative returns over any 20 year period – less than 0.5.[1]

Minimum time to invest – at least two years.

Account-based pensions

How the investment options are invested

Investment option	Australian Shares	International Shares
Description	Shares are a growth asset and tend to earn the highest return in the long term and have the highest probability of negative returns in the short term. Australian Shares provide access to companies listed on Australia's stock exchange as well as the potential for franked dividends.	Shares are a growth asset and tend to earn the highest return in the long term and have the highest probability of negative returns in the short term. International Shares offer diversification benefits when compared to investing solely in Australian shares by providing access to new markets and a wider range of companies. The return from the International Shares investment option is affected by movements in the value of international currencies. This is also known as being 'unhedged'. A rise in value of the Australian dollar will have a negative impact on performance, while a fall in value will have a positive impact on performance.
Investment objectives	Before investment fees and relevant superannuation taxes, to track the return on the S&P / ASX 200 Accumulation Index (Net Total Return).	Before investment fees and relevant superannuation taxes, to track the return on the MSCI World ex-Australia Index (Unhedged, Net Total Return).
Risk profile	**Risk level – high.** Estimated annual negative returns over any 20 year period – 4 to less than 6.[1] Minimum time to invest – at least five years.	**Risk level – high.** Estimated annual negative returns over any 20 year period – 4 to less than 6.[1] Minimum time to invest – at least five years.

[1] These negative returns can be experienced several years apart or several years in a row within the 20 year period.

Property	Bonds	Cash
Property invests in listed property vehicles which own industrial, commercial, retail, central business district and other real estate assets in Australia. Property is a growth asset that generally provides high long term returns. Property provides returns through both rental income and capital growth and allows investors to diversify a growth asset portfolio. Super funds tend to invest in commercial, industrial and retail property, such as office blocks, warehouses, shopping centres and factories.	Bonds are a defensive asset. Historically bonds tend to provide higher returns and are more volatile than cash, but have lower returns and are less volatile than property and shares. Bonds have historically been a good way to offset the risk of investing in growth assets, as prices tend to move in opposite directions.	Money in the Cash investment option is held with Australia and New Zealand Banking Group Limited ABN 11 005 357 522 (ANZ). When you invest in this option, your funds are pooled with those of other members and placed in an at-call account with ANZ. While our agreement with ANZ remains current, we won't withdraw from this account unless you choose to withdraw or switch your funds from this option.
Before investment fees and relevant superannuation taxes, to track the return of the S&P / ASX 300 A REIT Index.	Before investment fees and relevant superannuation taxes, to track the return on the Bloomberg AusBond Composite 0+ Yr Index.	Before investment fees and relevant superannuation taxes, to track the return of an investment compounding at the Reserve Bank of Australia's (RBA) Cash Rate.
Risk level – very high. Estimated annual negative returns over any 20 year period – 6 or greater.[1] Minimum time to invest – at least five years.	**Risk level – medium to high.** Estimated annual negative returns over any 20 year period – 3 to less than 4.[1] Minimum time to invest – at least one year.	**Risk level – very low.** Estimated annual negative returns over any 20 year period – less than 0.5.[1] Minimum time to invest – Cash is a short-term investment.