Australian Retirement Trust

Super Savings Investment Guide

Issued 1 July 2023

australianretirementtrust.com.au

Who this guide is for

If you're an Australian Retirement Trust Super Savings, Super Savings - Business or Super Savings - Corporate member who has an Accumulation account with us and would like to learn about your investments and how we invest your money, or you're a potential member looking to learn more about our investment approach, this guide is for you.

It explains:

- **Investment basics, like asset classes and managing risk**
- **How to choose an investment strategy to meet your financial goals**
- **Our wide range of investment options**
- **How to invest or change your investments.**

Important information

The information in this document forms part of:

- the Super Savings Product Disclosure Statement for Accumulation Account (PDS) dated 1 July 2023
- the Super Savings – Business Product Disclosure Statement for Accumulation Account (PDS) dated 1 October 2023
- the Super Savings – Corporate Product Disclosure Statements for Accumulation Account (PDS) dated 4 December 2023.

Each product disclosure statement references information that you will find in this guide.

You can find other important information about:

- Super Savings Accumulation Accounts in our Super Savings Accumulation Guide and our Super Savings Insurance Guide at **australianretirementtrust.com.au/pds**
- Super Savings - Business Accumulation Accounts in our Super Savings Accumulation Guide, our Super Savings - Business Insurance Guide and the applicable Super Savings - Business Plan Information Factsheet available at art.com.au/business and your employer microsite.
- Super Savings - Corporate Accumulation Accounts in our Super Savings Accumulation Guide and the applicable Super Savings - Corporate Insurance Guide available at your employer microsite.

You can also call us and we'll send them to you.

Before making a decision about your current investment choice or switching investments, please read the important information in the relevant PDS and this guide.

This guide explains how we can or do invest your super.

This Investment Guide and all Super Savings products are issued by Australian Retirement Trust Pty Ltd (ABN 88 010 720 840, AFSL No. 228975) (Trustee) as trustee for Australian Retirement Trust (ABN 60 905 115 063) (Fund). Any reference to 'we', 'us', or 'our' in this guide is a reference to the Trustee.

Target market determinations that describe who we design our financial products for are available at **australianretirementtrust.com.au/tmd**

Financial Services Guide

Our Financial Services Guide contains information about the financial services we provide. It's designed to help you decide whether to use any of our financial services and is available at **australianretirementtrust.com.au/fsg** or you can contact us for a copy.

General advice warning

This document contains general information only and doesn't take into account your personal objectives, financial situation or needs. You should seek professional financial advice tailored to your personal circumstances.

Privacy

We respect the privacy of the information you give us. Our Privacy Policy describes how we may collect, hold, use and disclose your personal information and how you may access and update the personal information we hold about you. Our policy is available at **australianretirementtrust.com.au/privacy** or by contacting us.

Case studies

The case studies in this document are illustrative only. They assume that all terms and conditions have been met. Figures may be rounded for ease of understanding.

Keeping you informed

There may be changes from time to time to information contained in the PDS, including any of the documents that we refer to as forming part of the PDS. Where those changes are not materially adverse, we will publish the updated information on our website at **australianretirementtrust.com.au/pds-updates** or, for Super Savings – Corporate Accumulation accounts, at the employer microsite referred to in the PDS applicable to your product. You can also call us on **13 11 84** and we will send you a paper or electronic copy of the updated information on request, free of charge.

Contents

Australian Retirement Trust is one of Australia's largest super funds

Over 2 million Super Savings and QSuper account holders trust us to take care of their retirement savings.

Find out more about us at **australianretirementtrust.com.au**

We're here to help our members retire well with confidence, with our focus on:

- low fees
- strong long-term investment returns
- outstanding services.

For further information about ratings methodology used and awards disclaimers refer to **www.australianretirementtrust.com.au/awards**

On 28 February 2022 Australian Retirement Trust was formed through a merger of Sunsuper and QSuper.
Past performance is not a reliable indicator of future performance. Ratings and awards are subject to change and are only one factor to consider when deciding how to invest your super.

Identify your investor needs

Generally, the more time you have for investing, the more time you have to help maximise your returns over the long term and overcome any short-term falls in the market.

Your super doesn't stop working when you do

Building your super might take 20, 30, or 40 years. Then, if you plan to live off your super in retirement, that money might need to last another 20, 30 or 40 years. That makes super a long-term investment.

So, making sure your money is invested to last you through retirement is just as important as making sure it's invested to build up in the first place.

When working out which investment option is right for you, it's important to consider your investment's ultimate purpose, your circumstances and retirement goals.

However, just reading about investment principles doesn't always clarify how they relate to your situation. We all have different investment needs, different investment time horizons and different investment expertise.

To help you determine your investment goals, we have prepared an Investor needs quiz.

Your answers will correspond to one of four investor needs categories which provide a guide to which investment option or options you might select.

To complete this quiz, visit **australianretirementtrust.com.au/investor-profile**

This online quiz is a guide only and is not a substitute for professional advice. It does not consider your individual objectives, financial circumstances, or needs.

Speak to a financial adviser

Everyone's situation is different, and whether you are a conservative or growth investor, or have a short or long-time horizon, you may need some advice. Call us on 13 11 84.

We can help you get the advice you need whether you have a simple question about super, insurance, or retirement, or would like to consider your entire financial situation.

- **Call 13 11 84** to speak to one of our qualified financial advisers[1] who can help you over the phone with simple advice about your Super Savings account. We include this service with your membership.
- **Financial Adviser** – We may refer you to an accredited external financial adviser[2] for more comprehensive advice, which may involve a fee.

1 Employees in the Australian Retirement Trust group provide advice to members and employers as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), that is wholly owned by the Trustee as an asset of Australian Retirement Trust. SFS is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide at **australianretirementtrust.com.au/fsg** for more information.

2 The Trustee has established a National Advice Panel of accredited external financial advisers who are not employees of the Australian Retirement Trust group. The Trustee is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

Reaching your goals

Three factors are critically important in determining which investment option will help you reach your investment goals. These are:

1) Your investment horizon
2) Your investment earnings
3) Your risk tolerance

1 Your investment horizon

Your time horizon, or the length of time before you plan to use your super, may play a large role in determining how you invest. The longer you have, the more aggressively you may be willing to invest. This is because short term falls in the market are generally less important than maximising your returns over the long term.

For example, if a person needs to access some of their super in the short term and are eligible to do so, they may want a portion of their super invested in more conservative investments to protect themselves from the risk of negative short-term returns.

What is your investment time horizon?

Not everyone accesses super in the same way at retirement. You may want to:

- keep your money invested during retirement and gradually withdraw your savings as income in retirement
- take a lump sum to meet immediate financial needs and use the remainder for ongoing income in retirement.

How you plan to take your super will affect your investment time horizon.

Perhaps you would like to use some, or all of your super as income in retirement. In that case, your time horizon will likely extend well beyond your actual retirement date.

Your time horizon isn't just how long you have until you retire. It could also include how long you expect to draw an income from your super in your retirement. The number of years may depend on your life expectancy and the amount of money you have to invest. If you plan to use your super as income, you can find out your estimated time horizon from the following table:

Age	Estimated investment time horizon[1]	
	Male	Female
20	61 years	65 years
25	56 years	60 years
30	52 years	55 years
35	47 years	51 years
40	42 years	46 years
45	37 years	41 years
50	33 years	36 years
55	28 years	31 years
60	24 years	27 years

1 The estimated investment time horizon is based on male and female life expectancies from the Australian Life Tables 2015–17. Your experience could differ from the number of years quoted here.

2 Your investment earnings

The return you earn from your chosen investment option(s) can mean the difference between having the lifestyle you want in retirement or not. Historically, assets like shares and property have provided higher returns over the long term than cash and fixed income type assets. If your goals are within reach, you may not want to take on the higher risk of assets that provide higher returns.

3 Your risk tolerance

Your risk tolerance is the degree of risk you're comfortable taking when investing. Your risk tolerance will be influenced by what you want to use your money for and how certain you want to be for that to happen. If an asset price falls, sometimes fear and uncertainty can tempt you to sell it. Alternatively, those who have invested conservatively may regret not being more aggressive with their choices.

Working out how you want to use your money and how you may feel about investment prices going up and down can help you discover your risk tolerance. It can also help you focus on your long-term goals.

Reaching your goals in action[1]

Daniel's story

Daniel is 35, and while it might be a long time away, he's planning to retire when he reaches 60. Retiring at 60 means he has another 25 years to build his super. Daniel intends to draw on his super as his primary source of income when he retires. He's hoping to live to at least age 80, which means he needs his super to fund his lifestyle for at least another 20 years after he retires.

Daniel's investment time horizon is 45 years (i.e. 60 – 35 + 20 = 45). He decides that he can accept short-term fluctuations in his investment. With such a long-time horizon, Daniel decides that the growth option could be considered to be the most suitable for him.

This example is illustrative only.

1 The information provided here is general information only and should not be taken as advice. You should consider your individual objectives, financial situation and needs before acting on this information, or seek advice from a qualified financial adviser.

Risks of investing

Longevity risk

Longevity risk is the risk that your super will run out. While you're still saving for when you stop working, consider how much you might need in retirement, and the investment options that best help you get there. It's important to have an investment strategy to help your super go the distance.

Market volatility risk

This is the risk that the value of your investment will go down as well as up. Negative returns are normal for some asset classes as markets tend to move in cycles.

Inflation risk

This is the risk that your investment returns do not grow enough to exceed inflation. It means that if it doesn't grow as much as inflation, the purchasing power of your money will be less than when you started.

Timing risk

This is the risk of selling an investment at the wrong time. Selling an investment when prices are low might mean that you lose money. Timing risk can also apply if you're trying to predict future prices when you make investment decisions. It's important to consider timing risk when switching investment options.

Sequence risk

Sequence risk is the impact of investment loss at different stages of your life. When you're entering or in retirement, you'll probably have a higher superannuation account balance than when you were younger, and losses will impact you more substantially. For a younger member with a lower balance but with money still going into super, the loss might have less of an impact.

Specific risk

This is the risk associated with any single share or security or asset class. Investing in a single asset or asset class can mean that if that single asset performs poorly, it will significantly affect your portfolio. Investing in diversified investment options can reduce the amount of money you could lose if one asset class performs poorly.

Investment manager risk

This is the risk that an investment manager will fail to achieve their return target.

Liquidity risk

Liquidity refers to how easily an asset or security can be bought or sold in the market and converted to cash. The risk is that this may come at a cost. Less liquid assets usually demand an illiquidity premium to compensate for this risk. For example, assets like property and infrastructure generally offer good diversification benefits to shares and bond markets and strong long-term returns. However, selling these assets quickly or selling only a part of them isn't always possible.

Keep on top of your investment

Here are some tips on how to keep on top of your investment.

1. Keep up to date

The information in this guide is current as of the date on the cover. However, things can change over time. Keep this in mind when adding to your super in the future.

Please make sure you:

- read the most recent Investment Guide
- check notifications for any changes or significant events that affect the information in the Investment Guide immediately before the change or event occurs.

We will let you know in accordance with our obligations under the law if there are any relevant changes or significant events affecting your membership of Australian Retirement Trust.

You can find any updated information on our website[1] at **australianretirementtrust.com.au/pds**

1 Super Savings – Business and Super Savings – Corporate members please check your microsites.

2. Understand investment performance

Our performance information is a guide. It's also important to remember:

- You may have your super invested for a very long time. Short-term fluctuations, even over a year or two, may become less significant over 10 to 20 years.
- Investment returns for Super Savings options are quoted after deducting investment fees and costs, transaction costs and investment taxes where relevant but before administration fees.
- Past performance isn't a reliable indicator for future performance.
- Investment values may rise or fall with changes in the market.

Each investment option's latest performance figures can be found at **australianretirementtrust.com.au/investments**

3. Stay on track

It's tempting to chase higher returns if your super investments perform poorly. Or to seek safety by swapping to an option that's doing better at the time.

Short-term results can be misleading. For example, growth assets can show very high or very low returns over a short period. There's no way to predict what will happen next, so chasing short-term gains may turn out to be counterproductive in the long term.

By changing investment options, you may:

- take on more risk than you're comfortable with
- invest too conservatively
- lock in a short-term loss.

It's important to remember that your original investment choice may consider your long-term needs.

4. Monitor your investments

Staying on top of your investments doesn't have to be time-consuming.

All you need to do is follow three steps:

1) Read your annual statement to review your super's progress over the past financial year. You can regularly check your super at **Member Online** or the Australian Retirement Trust App (for instructions, visit **australianretirementtrust.com.au/app**).
2) Check that your asset allocation still suits your circumstances. You may want to alter your investments to reflect your changing needs.
3) Learn more about investments at **australianretirementtrust.com.au/investments**

Our range of investment options

We offer options designed to cater for a wide range of investor needs.

Once you've made your investment choice, you can change your investments via **Member Online** or the Australian Retirement Trust App. For more information, go to **australianretirementtrust.com.au/online-access**

We consider our members' main purposes for their superannuation and offer options to suit. We list our investment options below. They include:

- The Lifecycle Investment Strategy
- Diversified (multi-asset) and single asset class options
- Actively managed and index options
- Hedged and unhedged options

What we offer

Lifecycle Investment Strategy

Invests in the following Pools according to your age:

- Balanced Pool
- Retirement Pool
- Cash Pool

Diversified options

Actively Managed

- Growth
- Balanced
- Socially Conscious Balanced
- Diversified Alternatives
- Retirement
- Conservative

Index

- Balanced–Index

Single asset class options

Actively managed

- Shares
- Australian Shares
- Property
- Diversified Bonds
- Cash

Index

- Australian Shares–Index
- International Shares–Index (hedged)
- International Shares–Index (unhedged)
- Emerging Markets Shares
- Australian Property–Index
- Diversified Bonds–Index

Where is your super invested if you don't make a choice?

If you open an Accumulation account and don't make an investment choice, your super will go into our default option, the Lifecycle Investment Strategy. Lifecycle Investment Strategy gradually reduces your investment risk as you get closer to retirement age.

Find out more about our investment options

Visiting our website can give you an in-depth look at our investment options. Go to **australianretirementtrust.com.au/investments**

Warning: Past performance is not a reliable indication of future performance.

Risks of our investment options

We use the Standard Risk Measure (SRM) to describe the risk that applies to each investment option. The SRM is based on industry guidance. It allows you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. Each option is assigned a risk band and a risk label based on the likely number of negative annual returns you can expect over any 20-year period. They are outlined in the following table.

This table shows the seven risk bands.

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

The Standard Risk Measure isn't a complete assessment of all forms of investment risk. For example, it doesn't:

- detail the size of a possible negative return
- show you if the potential for a positive return might be less than you may require to meet your objectives
- go into the impact of administration fees and costs, and tax on the likelihood of a negative return.

For these reasons, you should make sure you're comfortable with the risks and potential losses associated with your chosen investment option(s).

For information on our risk assessment methodology visit **australianretirementtrust.com.au/srm**

Sustainable investments

We believe integrating the financial implications of environmental, social and governance (ESG) factors (which include labour standards and climate change), into our investment processes is consistent with better investment outcomes. Investment strategies are guided by sustainability approaches in line with our Sustainable Investment Policy and we use the following approaches: ESG integration, stewardship (active ownership) and, in limited cases, exclusions.

We invest the majority of the Fund's portfolio through external investment managers. Therefore, ESG integration is predominantly achieved through the selection, appointment and monitoring of new and existing managers in line with their ESG capabilities. We assign new external investment managers an internally determined ESG rating based on ESG Philosophy and Capability; Commitments and Reporting; ESG Integration; and Active Ownership. For existing managers, these ratings are proposed to be incorporated and used as a benchmark to identify opportunities to uplift their approaches to ESG. We have incorporated modern slavery questions into our external manager ESG Rating and private asset due diligence.

We undertake stewardship activities through engagement and proxy voting. Due to the size of holdings, we cannot engage with all companies in which we are invested. Where we do engage with our investee companies, we use the following methods: directly, collaboratively or through a service provider. Where possible, we will endeavour to vote at all company meetings on resolutions for which we are eligible to vote with some exceptions. Proxy voting decisions are informed by the Australian Council of Superannuation Investors (ACSI) Governance Guidelines and where required, additional information will be sought from other relevant parties.

Please see our Sustainable Investment Policy at **australianretirementtrust.com.au/responsible-investing** for more information.

Negative screening (exclusions)

For the Equities – Australian and International Shares asset classes across all Super Savings options, we exclude direct investment in companies as outlined in the following table.

Exclusions[1]	Description of exclusion criteria	Exclusion threshold
Tobacco[2]	Companies that manufacture tobacco products.	5% gross revenue threshold (estimated or reported) in most recent year of financial reporting.
Cluster munitions	Companies that manufacture cluster munitions whole weapons systems and companies that manufacture components of cluster munitions. This doesn't include delivery platforms.[3]	Any involvement.
Landmines[4]	Companies with an industry tie to landmines that are flagged for landmine manufacturer, ownership by a landmines company, or ownership of a landmines company.	

1 Exclusions are based on MSCI ESG Business Involvement Screening Research Methodology (October 2022) and associated universe coverage. **2** Tobacco companies that manufacture tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves. **3** Delivery platforms are companies that manufacture weapon platforms capable of carrying and deploying cluster munitions to the designated target area. Delivery platforms can include self-propelled rocket launcher systems and aircraft. **4** This does not include companies with a reviewed and/or past involvement status.

Exceptions to these exclusions

The screening criteria do not apply to pooled vehicles or derivatives, which may have indirect exposure to companies involved in the manufacture of tobacco, cluster-munitions or landmines.

The implementation of the exclusions above relies upon accuracy of data from a third-party provider (MSCI).

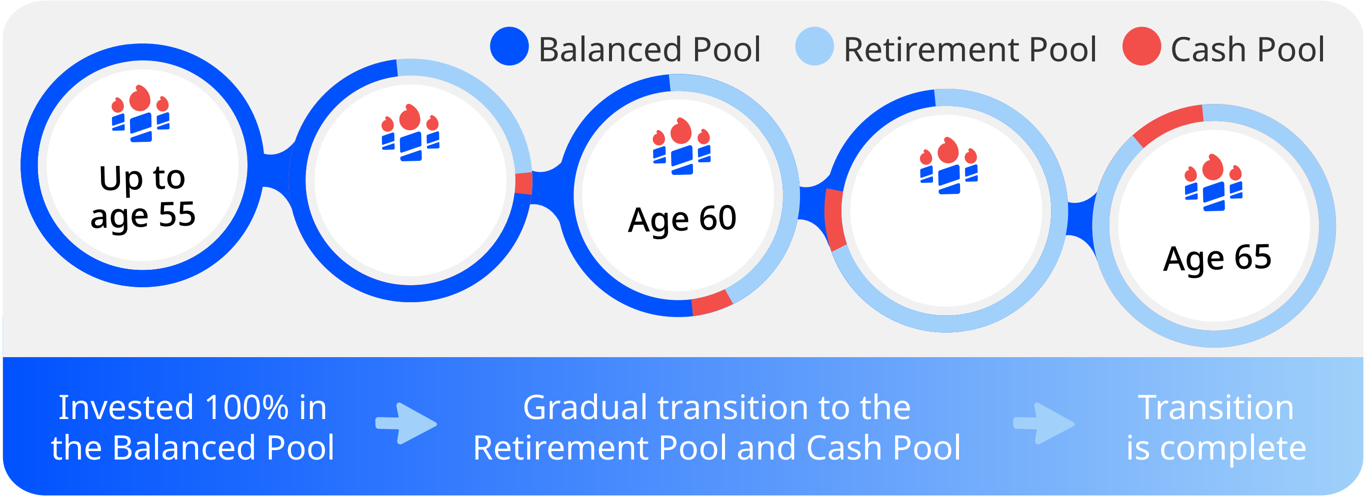
Sometimes we may accept excluded listed shares as part of super fund mergers. In this instance, we seek to divest in a manner aligned with members' best financial interests, usually within 30 days.

Exclusion lists are updated twice yearly. Following those updates, we inform external investment managers which listed equity shares are required to be excluded from new and existing investments.

About the Lifecycle Investment Strategy

Description

The Lifecycle Investment Strategy is our default investment option for members who want to generate wealth over the long term, and gradually transition to lower-risk investments as they approach age 65. Please see the example of how it works below.* It does not represent the actual amounts invested in each pool at each age. You can see your investment allocation between the three pools at any time in **Member Online** or the Australian Retirement Trust App at **australianretirementtrust.com.au/app** when you're a member.



* Indicative transition concept

We show you details of the investment pools on page 14.

The Lifecycle Investment Strategy invests 100% of your account balance in our Balanced Pool until age 55. The strategy generally allows you to benefit from investments in growth assets, like shares, when most people have plenty of time before they need to use their super for living.

Once you turn 55, your balance will transition to the Retirement Pool and Cash Pool. By your 65th birthday, most of your balance will be in the Retirement Pool. The Retirement Pool invests in some growth assets but has historically had fewer ups and downs than the Balanced Pool. There will also be some money in the Cash Pool.

If you're over age 55 when you first invest in the Lifecycle Investment Strategy, your transition will take place over a shorter period of time.

The transition between the pools starts once you have turned 55. It happens in two ways:

1) Generally, each month, on or around your day of birth (so, if you're born on 10 May, your day of birth is the 10th), a portion of your account balance is transferred out of the Balanced Pool. The transferred money is split, with 90% going into the Retirement Pool and 10% going into the Cash Pool.
2) Your future contributions, including any rollovers from other super funds, will be allocated across the investment pools, with increasing amounts going to the Retirement Pool and Cash Pool as you get older.

Balanced Pool	Retirement Pool	Cash Pool
Description		
Invests in a wide variety of asset classes that aims to gain the benefits of diversification with a large allocation to Australian and international shares for exposure to economic growth. **Style** Multi-manager, combination of active, enhanced index and index investment management.	Invests in a wide variety of asset classes that aims to gain the benefits of diversification. **Style** Multi-manager, combination of active, enhanced index and index investment management.	Invests in a portfolio of cash and cash equivalent investments. **Style** Multi-manager, active and enhanced index investment management.
Minimum suggested timeframe: 5 years		
Objective[1,2]		
CPI + 3.5% p.a. This is the targeted investment return objective measured over rolling 10-year periods after investment fees and costs, transaction costs and investment taxes.	CPI + 2.5% p.a. This is the targeted investment return objective measured over rolling 10-year periods after investment fees and costs, transaction costs and investment taxes.	Match or exceed the Bloomberg AusBond Bank Bill Index before investment tax but after investment fees and costs and transaction costs.
Risk[1]		
Expected number of years of negative returns over any 20–year period: 4 to less than 6. **Risk label:** High. **Risk band:** 6.	**Expected number of years of negative returns over any 20–year period:** 3 to less than 4. **Risk label:** Medium to high. **Risk band:** 5.	**Expected number of years of negative returns over any 20–year period:** less than 0.5. **Risk label:** Very low. **Risk band:** 1.

Asset Allocation[3] in Pool

Balanced Pool

	Strategic %	Allowable range %
Australian shares	24	0-50
International shares	30	0-70
Private Equity	6.5	0-15
Property	8.5	0-30
Infrastructure	10.5	0-20
Fixed Income	18.5	0-30
Alternative Strategies	0	0-25
Cash	2	0-25

Retirement Pool

	Strategic %	Allowable range %
Australian shares	17	0-50
International shares	18.25	0-55
Private Equity	5.5	0-15
Property	8	0-30
Infrastructure	10.5	0-20
Fixed Income	33.75	0-50
Alternative Strategies	0	0-15
Cash	7	0-25

Cash Pool

	Strategic %
Cash	100

If you are invested in this pool, Australian Retirement Trust will invest 90% of your investment in the pool into interest bearing accounts with authorised deposit-taking institutions (ADIs).[4]

1 When reading the objectives and/or risks, please also read the information about Risks of our investment options and Important information about expected returns in this guide.

2 The objectives above are set by the Trustee for monitoring our ongoing investment performance. The objectives may differ from the prescribed Return target disclosed in our MySuper dashboard which is calculated using a different methodology.

3 You can also refer to Asset classes and How we use derivatives in this guide, for more information.

4 40% will be invested with the National Australia Bank Limited (NAB) (ABN 12 004 044 937), 40% with the Commonwealth Bank of Australia (CBA) (ABN 48 123 123 124), and 10% will be invested with the Members Equity Bank Limited (ME) (ABN 56 070 887 679). Maintaining a specific allocation requires regular rebalancing and the actual allocation will vary between rebalancing dates.

Diversified options

Growth

Designed for members who:

Want to generate wealth over the long term, but with less risk than an option invested solely in shares.

Style

Multi-manager, combination of active, enhanced index and index investment management.

Minimum suggested timeframe

7 years.

Objective[1]

CPI + 4.0% p.a.

This is the targeted investment return objective measured over rolling 10-year periods after investment fees and costs, transaction costs and investment taxes.

Risk[1]

Expected number of years of negative returns over any 20-year period: 4 to less than 6.

Risk label: High.

Risk band: 6.

Asset Allocation[2]	Strategic %	Allowable range %
Australian shares	31.75	0-50
International shares	34.5	0-70
Private Equity	10	0-20
Property	8	0-30
Infrastructure	10	0-20
Fixed Income	5.75	0-20
Alternative Strategies	0	0-20
Cash	0	0-20

Balanced

Designed for members who:

Want to generate wealth over the long term.

Style

Multi-manager, combination of active, enhanced index and index investment management.

Minimum suggested timeframe

5 years.

Objective[1]

CPI + 3.5% p.a.

This is the targeted investment return objective measured over rolling 10-year periods after investment fees and costs, transaction costs and investment taxes.

Risk[1]

Expected number of years of negative returns over any 20-year period: 4 to less than 6.

Risk label: High.

Risk band: 6.

Asset Allocation[2]	Strategic %	Allowable range %
Australian shares	24	0-50
International shares	30	0-70
Private Equity	6.5	0-15
Property	8.5	0-30
Infrastructure	10.5	0-20
Fixed Income	18.5	0-30
Alternative Strategies	0	0-25
Cash	2	0-25

1 When reading the objectives and/or risks please also read the information about Risks of our investment options and Important information about expected returns in this guide.

2 You can also refer to Asset classes and How we use derivatives in this guide for more information.

Balanced–Index

Designed for members who:

Are seeking to accumulate wealth over the long term and want exposure to a range of publicly traded assets invested in line with standard market indices, with a focus on Australian and international shares.

Style

Multi-manager, index investment management.

Minimum suggested timeframe

5 years.

Objective[1]

CPI + 3.0% p.a.

This is the targeted investment return objective measured over rolling 10-year periods after investment fees and costs, transaction costs and investment taxes.

Risk[1]

Expected number of years of negative returns over any 20-year period: 4 to less than 6.

Risk label: High.

Risk band: 6.

Asset Allocation[2]	Strategic %	Allowable range %
Australian shares	33.5	0-50
International shares	41.5	0-70
Fixed Income	25	0-40
Cash	0	0-20

Socially Conscious Balanced

Designed for members who:

Want to accumulate wealth over the long term and who want to ensure that their investments are made in line with an extended set of environmental, social and governance principles.

Style

Responsible investment multi-manager, combination of active and index investment management.

Minimum suggested timeframe

5 years.

RI Certified Product

Socially Conscious Balanced is a RIAA Responsible Investment Certified Product. Please refer to page 18 for more information.

CERTIFIED BY RIAA

Objective[1]

CPI + 3.5% p.a.

This is the targeted investment return objective measured over rolling 10-year periods after investment fees and costs, transaction costs and investment taxes.

Risk[1]

Expected number of years of negative returns over any 20-year period: 4 to less than 6.

Risk label: High.

Risk band: 6.

Asset Allocation[2]	Strategic %	Allowable range %
Australian shares	24	0-50
International shares	28	0-70
Private Equity	8	0-15
Property	15	0-30
Infrastructure	5	0-20
Fixed Income	18	0-40
Alternative Strategies	0	0-25
Cash	2	0-25

1 When reading the objectives and/or risks please also read the information about Risks of our investment options and Important information about expected returns in this guide.

2 You can also refer to Asset classes and How we use derivatives in this guide for more information.

Socially Conscious Balanced option investment approach

The option invests in line with an extended set of environmental, social and governance (ESG) principles, in addition to those set out on page 12. The option employs multiple responsible investment approaches including negative (exclusionary) screening for shares, ESG integration, sustainability-themed investing and stewardship.

Equities – Australian and International shares

Socially Conscious Balanced option investments in Australian and International shares include ESG integration, stewardship and exclusions as set out on page 12.

In addition to the Sustainable investment exclusions that we explain on page 12 and that apply to all Super Savings options with allocation to Australian and International shares asset classes, the Socially Conscious Balanced option investments in Australian and International shares will exclude direct investment into companies that exceed the specified negative screens.

Negative screening (exclusions)

The following table summarises the exclusions applied to the option's Australian and International shares asset classes.

Exclusions[1]	Description of exclusion criteria	Exclusion threshold
Thermal Coal	Mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties.	5% gross revenue (reported or estimated) threshold in most recent year of financial reporting.
Metallurgical Coal	Mining of metallurgical coal (including coking coal) and its sale to external parties.	
Oil and Gas	Extraction and production or refining of oil and gas.	
Fossil fuel power generation	Thermal coal, liquid fuel and natural gas-based power generation.	
Alcohol	Companies that manufacture alcoholic products, including brewers, distillers and vintners. It also includes companies that own or operate wine vineyards.	
Gambling	Companies that operate gambling facilities such as casinos, racetracks, bingo parlours or other betting establishments.	
Adult entertainment[2]	Companies that produce adult entertainment materials.	
Tobacco and alternative smoking products[3]	Companies that manufacture tobacco products, or products aimed to replace or supplement tobacco products.	No threshold (companies deriving any revenue from the manufacture of these products are excluded).
Controversial weapons	Companies that have any tie to controversial weapons (cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons and/or nondetectable fragments).	Any involvement.
Nuclear weapons	Companies that have an industry tie to nuclear weapons.	
Live animal exports	Australian shares companies that own and/or operate live animal export operations.	Australian shares companies identified by internal desktop research to own and/or operate live animal export operations.

1 Thermal coal, oil and gas, and fossil fuel power generation exclusions are based on MSCI ESG Climate Change Metrics Methodology (November 2022) and associated universe coverage. The metallurgical coal exclusion uses data supplied through, and defined within, MSCI ESG Manager platform. The alcohol, gambling, adult entertainment, tobacco and alternative smoking products, controversial weapons and nuclear weapons exclusions use MSCI ESG Business Involvement Screening Research Methodology (October 2022) and associated universe coverage. The live animal exports exclusion applies to listed Australian shares companies and internal desktop research is conducted by Australian Retirement Trust. **2** Companies that produce adult entertainment materials that fall into the following six categories: producer of X-rated films, producer of pay-per-view programming or channels, producer of sexually explicit video games, producer of books or magazines with adult content, live entertainment of an adult nature, producer of adults-only material on the internet. **3** Tobacco and alternative smoking products refers to companies that manufacture tobacco products (or products that aim to replace or supplement tobacco products), such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves.

Exceptions to these exclusions

The screening criteria does not apply to pooled vehicles or derivatives, which may have indirect exposure to companies exceeding the negative screens.

The thermal coal and metallurgical coal exclusions do not apply to companies deriving revenue from coal mined for internal power generation, intra-company sales of mined thermal and metallurgical coal, or revenue from coal trading.

The implementation of the exclusions above (other than the exclusion concerning live animal exports) relies upon accuracy of data from a third-party provider (MSCI).

Sometimes we may accept excluded listed shares as part of super fund mergers. In this instance, we seek to divest in a manner aligned with members' best financial interests, usually within 30 days.

Exclusion lists are updated twice yearly. Following those updates, we inform external investment managers which listed equity shares are required to be excluded from new and existing investments.

For other asset classes to which the negative screens referred to above do not apply, we still take steps to integrate consideration of material ESG risks and opportunities into investment decisions we make for the Super Savings ESG options as outlined below.

Fixed Income

The option's fixed income investments include ESG integration as set out on page 12, and the strategy includes sustainability-themed investing through bonds whose proceeds are used for climate-related or environmental projects.

Private Equity

The option's private equity investments include ESG integration as set out on page 12 and the strategy includes sustainability-themed investments seeking outcomes that are aligned with the United Nations Sustainable Development Goals (UN SDGs).

Property

The option's property allocation is invested in the Super Savings property asset class, and includes ESG integration as set out on page 12.

Infrastructure

The option's infrastructure investments include ESG integration as set out on page 12.

Alternative Strategies

The option's alternative investments include ESG integration as set out on page 12.

Cash

The option's cash allocation is invested in a portfolio of cash investments within Super Savings.

We retain discretion to change the external investment managers, underlying investments and responsible investment approaches that apply to the Socially Conscious Balanced option.

Negative screens and responsible investment approaches that apply to the Socially Conscious Balanced option may be updated without prior notice to members.

Responsible Investment certification

Our Socially Conscious Balanced investment option features the Responsible Investment (RI) Certification Symbol.

Responsible Investment Association Australasia's (RIAA) RI Certification Symbol signifies that a product or service offers an investment style that considers environmental, social, governance or ethical considerations.

The Symbol also signifies that the Socially Conscious Balanced option adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product. The Certification Symbol is a Trademark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and the option's methodology, performance and stock holdings can be found at **www.responsiblereturns.com.au**, together with details about other responsible investment products certified by RIAA.

The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Diversified Alternatives

Designed for members who:

Want to generate wealth over the medium to long term, but with reduced fluctuations in returns. This option provides diversified exposure to unlisted investments and trading strategies.

Important information

In some unfavourable market conditions, we reserve the right to restrict investment option changes and benefit payments.

Style

Multi-manager, fully active investment management.

Minimum suggested timeframe

7 years.

Objective[1]

CPI + 4.5% p.a.

This is the targeted investment return objective measured over rolling 10-year periods after investment fees and costs, transaction costs and investment taxes.

Risk[1]

Expected number of years of negative returns over any 20-year period: 3 to less than 4.

Risk label: Medium to High.

Risk band: 5.

Asset Allocation[2]	Strategic %	Allowable range %
Private Equity	35	20-45
Infrastructure	35	20-45
Alternative Strategies	25	0-45
Fixed Income	0	0-45
Cash	5	0-10

Retirement

Designed for members who:

Are close to, or have reached retirement. It is structured to generate wealth over the medium to long term, while providing some reduction to the fluctuation of returns in the short term.

Style

Multi-manager, combination of active, enhanced index and index investment management.

Minimum suggested timeframe

5 years.

Objective[1]

CPI + 2.5% p.a.

This is the targeted investment return objective measured over rolling 10-year periods after investment fees and costs, transaction costs and investment taxes.

Risk[1]

Expected number of years of negative returns over any 20-year period: 3 to less than 4.

Risk label: Medium to High.

Risk band: 5.

Asset Allocation[2]	Strategic %	Allowable range %
Australian shares	17	0-50
International shares	18.25	0-55
Private Equity	5.5	0-15
Property	8	0-30
Infrastructure	10.5	0-20
Fixed Income	33.75	0-50
Alternative Strategies	0	0-15
Cash	7	0-25

1 When reading the objectives and/or risks please also read the information about Risks of our investment options and Important information about expected returns in this guide.
2 You can also refer to Asset classes and How we use derivatives in this guide for more information.

Conservative

Designed for members who:

Seek less volatile returns for their super while maintaining some growth exposure. Using your money in the short term is likely to be your main purpose.

Style

Multi-manager, combination of active, enhanced index and index investment management.

Minimum suggested timeframe

3 years.

Objective[1]

CPI + 1.5% p.a.

This is the targeted investment return objective measured over rolling 10-year periods after investment fees and costs, transaction costs and investment taxes.

Risk[1]

Expected number of years of negative returns over any 20-year period: 1 to less than 2.

Risk label: Low to Medium.

Risk band: 3.

Asset Allocation[2]	Strategic %	Allowable range %
Australian shares	7.5	0-30
International shares	11.5	0-30
Private Equity	4.5	0-10
Property	7.5	0-20
Infrastructure	8	0-20
Fixed Income	40	0-70
Alternative Strategies	0	0-15
Cash	21	0-100

1 When reading the objectives and/or risks please also read the information about Risks of our investment options and Important information about expected returns in this guide.

2 You can also refer to Asset classes and How we use derivatives in this guide for more information.

Single asset class options

Shares

Designed for members who:

Are seeking to accumulate wealth over the long term and who can accept full exposure to the ups and downs of share markets.

Style

Multi-manager, combination of active, enhanced index and index investment management.

Minimum suggested timeframe

7 years.

Objective[1]

Beat the performance benchmark by 0.25% p.a. before investment taxes but after investment fees and costs and transaction costs over rolling 3-year periods whilst maintaining a lower weighted carbon intensity than the performance benchmark.

Performance benchmark:

- 50% MSCI Australia 300 Index
- 18% MSCI World ex Australia Investable Market Index (IMI) with Special Tax Net in $A (unhedged)
- 7% MSCI EM Investable Market Index (IMI) with Special Tax Net in $A (unhedged)
- 25% MSCI World ex Australia Investable Market Index (IMI) with Special Tax Net hedged to $A.

Risk[1]

Expected number of years of negative returns over any 20-year period: 6 or greater.

Risk label: Very high.

Risk band: 7.

Asset Allocation[2]	Strategic %	Allowable range %
Australian shares	50	40-60
International shares	50	40-60
Cash	0	0-5

Australian Shares

Designed for members who:

Are seeking to earn returns from investment in the Australian shares asset class employing active management aiming to achieve better long-term returns than available in a standard market index for this sector.

Style

Multi-manager, combination of active and enhanced index investment management.

Minimum suggested timeframe

7 years.

Objective[1]

Beat the performance benchmark by 0.25% p.a. before investment taxes but after investment fees and costs and transaction costs over rolling 3-year periods whilst maintaining a lower weighted carbon intensity than the performance benchmark.

Performance benchmark: MSCI Australia 300 Index.

Risk[1]

Expected number of years of negative returns over any 20-year period: 6 or greater.

Risk label: Very high.

Risk band: 7.

Asset Allocation[2]	Strategic %	Allowable range %
Australian shares	100	95-100
Cash	0	0-5

This option may include a small allocation to New Zealand share investments.

1 When reading the objectives and/or risks please also read the information about Risks of our investment options and Important information about expected returns in this guide.

2 You can also refer to Asset classes and How we use derivatives in this guide for more information.

Australian Shares–Index

Designed for members who:

Are seeking to earn returns from investment in the Australian shares asset class with passive management aiming to achieve long-term returns that are close to the returns of a standard market index for this sector.

Style

Single-manager, index investment management.

Minimum suggested timeframe

7 years.

Objective[1]

Closely match the returns of the performance benchmark, before investment fees and costs, transaction costs and investment taxes whilst maintaining a lower weighted carbon intensity.

Performance benchmark: MSCI Australia 300 Index.

Risk[1]

Expected number of years of negative returns over any 20–year period: 6 or greater.

Risk label: Very high.

Risk band: 7.

Asset Allocation[2]	Strategic %	Allowable range %
Australian shares	100	95-100
Cash	0	0-5

International Shares–Index (hedged)

Designed for members who:

Are seeking to earn returns from investment in the international shares asset class with currency exposure being hedged back to the Australian dollar and passive management aiming to achieve long-term returns that are close to the returns of a standard market index for this sector.

Style

Single-manager, index investment management.

Currency

Hedged.

Minimum suggested timeframe

7 years.

Objective[1]

Closely match the returns of the performance benchmark, before investment fees and costs, transaction costs and investment taxes whilst maintaining a lower weighted carbon intensity.

Performance benchmark: MSCI ACWI ex Australia Investable Markets Index (IMI) with Special Tax Net in $A (hedged).

Risk[1]

Expected number of years of negative returns over any 20–year period: 6 or greater.

Risk label: Very high.

Risk band: 7.

Asset Allocation[2]	Strategic %	Allowable range %
International shares	100	95-100
Cash	0	0-5

1 When reading the objectives and/or risks please also read the information about Risks of our investment options and Important information about expected returns in this guide.

2 You can also refer to Asset classes and How we use derivatives in this guide for more information.

International Shares–Index (unhedged)

Designed for members who:

Are seeking to earn returns from investment in the international shares asset class with currency exposure unhedged and passive management aiming to achieve long-term returns that are close to the returns of a standard market index for this sector.

Style

Single-manager, index investment management.

Currency

Unhedged.

Minimum suggested timeframe

7 years.

Objective[1]

Closely match the returns of the performance benchmark, before investment fees and costs, transaction costs and investment taxes whilst maintaining a lower weighted carbon intensity.

Performance benchmark: MSCI ACWI ex Australia Investable Market Index (IMI) with Special Tax Net in $A (unhedged).

Risk[1]

Expected number of years of negative returns over any 20–year period: 6 or greater.

Risk label: Very high.

Risk band: 7.

Asset Allocation[2]	Strategic %	Allowable range %
International shares	100	95-100
Cash	0	0-5

Emerging Markets Shares

Designed for members who:

Are seeking to earn returns from investment in the emerging markets shares asset class with passive management aiming to achieve long-term returns that are close to the returns of a standard market index for this sector.

Style

Single-manager, index investment management.

Currency

Unhedged.

Minimum suggested timeframe

7 years.

Objective[1]

Closely match the returns of the performance benchmark, before investment fees and costs, transaction costs and investment taxes whilst maintaining a lower weighted carbon intensity.

Performance benchmark: MSCI EM Investable Market Index (IMI) with Special Tax Net in $A (unhedged).

Risk[1]

Expected number of years of negative returns over any 20–year period: 6 or greater.

Risk label: Very high.

Risk band: 7.

Asset Allocation[2]	Strategic %	Allowable range %
International shares emerging	100	95-100
Cash	0	0-5

1 When reading the objectives and/or risks please also read the information about Risks of our investment options and Important information about expected returns in this guide.

2 You can also refer to Asset classes and How we use derivatives in this guide for more information.

Property

Designed for members who:

Are seeking to earn returns from investment in the global and Australian property asset class with some active management aiming to achieve better long-term returns than available in a standard market index for this sector.

Style

Multi-manager, combination of active and index investment management.

Currency

Hedged.

Minimum suggested timeframe

7 years.

Objective[1]

Beat the performance benchmark before investment taxes but after investment fees and costs and transaction costs over rolling 5-year periods.

Performance benchmark:

- 25% FTSE EPRA/NAREIT Global REIT Index in $A (hedged)
- 75% MSCI/Mercer Australia Core Wholesale Property Fund Index – NAV-weighted Post-Fee Total Return (All Funds).

Risk[1]

Expected number of years of negative returns over any 20–year period: 4 to less than 6.

Risk label: High.

Risk band: 6.

Asset Allocation[2]	Strategic %	Allowable Range %
Property	100	90-100
Cash	0	0-10

Australian Property–Index

Designed for members who:

Are seeking to earn returns from investment in the Australian property asset class with passive management aiming to achieve long-term returns that are close to the returns of a standard market index for this sector.

Style

Single-manager, index investment management.

Minimum suggested timeframe

7 years.

Objective[1]

Closely match the returns of the performance benchmark before investment fees and costs, transaction costs and investment taxes.

Performance benchmark: S&P/ASX 300 A-REIT Accumulation Index.

Risk[1]

Expected number of years of negative returns over any 20–year period: 6 or greater.

Risk label: Very high.

Risk band: 7.

Asset Allocation[2]	Strategic %	Allowable Range %
Property	100	95-100
Cash	0	0-5

1 When reading the objectives and/or risks please also read the information about Risks of our investment options and Important information about expected returns in this guide.

2 You can also refer to Asset classes and How we use derivatives in this guide for more information.

Diversified Bonds

Designed for members who:

Are seeking to earn returns from investment in the fixed income asset class with active management aiming to achieve better long-term returns than available in a standard market index for this sector.

Style

Multi-manager, combination of active, enhanced index and index investment management.

Currency

Hedged.

Minimum suggested timeframe

3 years.

Objective[1]

Beat the performance benchmark by 0.3% p.a. before investment taxes but after investment fees and costs and transaction costs over rolling 3-year periods.

Performance benchmark:

- 50% Bloomberg Barclays Global Aggregate Index in $A (hedged)
- 50% Bloomberg AusBond Composite 0+ Yr Index.

Risk[1]

Expected number of years of negative returns over any 20–year period: 1 to less than 2.

Risk label: Low to Medium.

Risk band: 3.

Asset Allocation[2]	Strategic %	Allowable range %
Fixed Income	100	95-100
Cash	0	0-5

Diversified Bonds–Index

Designed for members who:

Are seeking to earn returns from investment in the fixed income asset class with passive management aiming to achieve long-term returns that are close to the returns of a standard market index for this sector.

Style

Single-manager, index investment management.

Currency

Hedged.

Minimum suggested timeframe

3 years.

Objective[1]

Closely match the returns of the performance benchmark, before investment fees and costs, transaction costs and investment taxes.

Performance benchmark:

- 50% Bloomberg Barclays Global Aggregate Index in $A (hedged)
- 50% Bloomberg AusBond Composite 0 + Yr Index.

Risk[1]

Expected number of years of negative returns over any 20–year period: 2 to less than 3.

Risk label: Medium.

Risk band: 4.

Asset Allocation[2]	Strategic %	Allowable range %
Fixed Income	100	95-100
Cash	0	0-5

1 When reading the objectives and/or risks please also read the information about Risks of our investment options and Important information about expected returns in this guide.

2 You can also refer to Asset classes and How we use derivatives in this guide for more information.

Cash

Designed for members who:

Are seeking to accumulate a lump sum or derive income over time by earning returns that are close to the level of short-term interest rates in the Australian economy.

Style

Multi-manager, active and enhanced index investment management.

Minimum suggested timeframe

1 year.

Objective[1]

Match or exceed the returns of the performance benchmark, before investment taxes but after investment fees and costs and transaction costs.

Performance benchmark: Bloomberg AusBond Bank Bill Index.

Risk[1]

Expected number of years of negative returns over any 20-year period: Less than 0.5.

Risk label: Very low.

Risk band: 1.

Asset Allocation[2]	Strategic %
Cash	100

If you are invested in this option, Australian Retirement Trust will invest 90% of your investment in the option into interest bearing accounts with authorised deposit-taking institutions (ADIs).[3]

1 When reading the objectives and/or risks please also read the information about Risks of our investment options and Important information about expected returns in this guide.
2 You can also refer to Asset classes and How we use derivatives in this guide for more information.
3 40% will be invested with the National Australia Bank Limited (NAB) (ABN 12 004 044 937), 40% with the Commonwealth Bank of Australia (CBA) (ABN 48 123 123 124), and 10% will be invested with the Members Equity Bank Limited (ME) (ABN 56 070 887 679). Maintaining a specific allocation requires regular rebalancing and the actual allocation will vary between rebalancing dates.

Additional information about investment options

Asset classes

Each investment option described in this guide is invested in one or more asset classes. This section describes asset classes and the varying expected levels of returns.

Cash

Cash is considered the most secure asset class and generally has the lowest long-term returns and market volatility. However, returns from cash may not keep up with inflation.

Cash investments are short term fixed income investments that include, but are not limited to:

- at-call deposits
- bank bills
- term deposits, and
- other tradable money market securities.

Fixed Income

In its simplest form, fixed income is a loan to a government or a company. It has an interest rate set in advance, which can be fixed or directly linked to a variable like inflation or a short-term interest rate, and the principal is typically paid back at the end of the loan term. Some fixed income investments are private investments, with customised terms directly negotiated with the borrower while some are publicly traded securities with standardised terms that are consistent with market conventions.

Bonds are the most common type of fixed income securities traded in the markets. Bonds can be traded, and their value will change as interest rates change in the market. This means they have the potential for both positive and negative returns.

Like most investment assets, the value of a fixed income investment may vary, so they carry a degree of volatility or risk.

Shares

Shares are sometimes also referred to as equities or stocks.

Buying shares means owning a piece of the company. Returns can come from the payment of dividends (income) and the change in the value of the shares (capital growth or loss).

A company's share price fluctuates daily according to what investors collectively think the company can earn in the future compared to the expected earnings of other investments.

Shares have historically delivered better returns than cash and fixed income over the long term but their value is more likely to vary over the short term.

Australian shares – Australian shares include investments in companies listed in Australia and may sometimes have a small allocation of companies listed in New Zealand.

Some of these companies earn a significant portion of their profits from their international operations, and currency fluctuations may have a positive or negative impact on the earnings of these companies.

International shares – these represent ownership in companies listed on stock exchanges around the world. International shares comprise both developed markets shares and emerging markets shares.

Developed market shares represent ownership in companies listed on stock exchanges in countries with economies deemed mature or developed, e.g. Germany, Japan, or the United States of America.

Emerging markets shares represent ownership in companies listed on stock exchanges in countries with economies deemed as growing or emerging, e.g. China, India, or Brazil.

International shares may provide exposure to industries and companies not available for investment in Australia. Currency fluctuations can have a positive or negative effect on returns from international share investments.

For more information on currency please see page 31

Property

Our property asset class and the Property investment option may include a combination of both unlisted and listed property (real estate) investments.

Property (real estate) investments include, but are not limited to investments in:

- offices
- buildings
- industrial sites
- retail shopping centres.

Unlisted property investments can be purchased directly, or indirectly (for example, via unit trusts and property trusts that are not listed on the stock market). Unlisted property investments typically provide returns through a combination of regular income payments like rent and dividends and through property value changes.

Unlisted property investments can also include investments in property operating platforms that both own and operate property assets. Investments in platforms are typically held as units or shares, and provide returns through a combination of dividend payments and changes in the value of the units or shares held in the platform.

Listed property investments include investments in property trusts listed on the stock market. These are known as a "Real Estate Investment Trust" or "REIT". REITs typically provide returns through a combination of dividend payments and changes in the value of the REIT's shares. Traded on the stock market, REITs ordinarily have greater liquidity than unlisted property investments. They tend to be influenced by short-term changes in individual investor perceptions to a greater degree than unlisted property investments.

The Australian Property – Index option invests exclusively in listed property investments.

Alternative Assets

Alternative assets are different to the more traditional asset classes and our alternative assets include defensive assets, growth assets and mid-risk assets. Alternative assets offer exposure to sectors of the market and economy that are under-represented in the traditional asset classes which means they can offer a level of diversification you don't generally get with traditional assets.

The types of alternative assets we may invest in include:

Private Equity – Private equity refers to investments in private or unlisted companies and includes, but is not limited to venture capital, buyout and special situations investments. The investments are typically made into private or unlisted companies that offer growth opportunities via revenue growth, improved profitability or strategic acquisition. These companies may end up being listed on the stock exchange or bought by larger companies or other private equity investors.

Alternative Strategies – These are listed and private securities investments that don't meet traditional asset class definitions and which seek to access diversifying sources of return.

They can include, but are not limited to mezzanine financing and alternative credit strategies, and other opportunistic investments.

Alternative Strategies investments are used in portfolios to improve total portfolio risk and return characteristics.

Infrastructure – These are assets that help governments and communities operate. They include, but are not limited to:

- roads
- airports
- ports
- utilities, like electricity and water
- registries
- digital infrastructure, like mobile phone towers and datacentres
- other community projects.

Infrastructure investments can have defensive and/or growth characteristics. These investments aim to achieve returns through income, and changes in the value of the asset.

Note: Overall, assets like private equity, alternative strategies and infrastructure seek to provide an additional source of expected returns above traditional asset classes over the long term. Typically, the returns from these types of assets move in different cycles to the traditional asset classes, thus offering valuable diversification.

Rebalancing your investment options

If you build your strategy and select two or more investment options, you may rebalance your portfolio periodically. Rebalancing brings the weighting of each investment option in your portfolio back in line with your original selection. It does this by moving money from one option to another.

Your weighting of investment options gets out of line when some investments perform better than others. When you rebalance, you may be taking money out of investments that have done well and transferring it to others that haven't performed as well.

This may seem illogical but remember it can be risky to rely too heavily on any one asset class. The asset class that gives you the highest returns this year may drop next year.

You may need financial advice to help you manage your portfolio. Financial advice can also help you make decisions about your asset allocation.

If you invest in a diversified option, professional investment managers rebalance the asset class allocation within the investment option.

You may decide that you don't need to change an investment option unless your personal circumstances or investor needs have changed.

Investment information

Important information about expected returns

We aim to achieve real return objectives for the following lifecycle investment strategy pools and investment options:

- Growth
- Balanced
- Balanced – Index
- Socially Conscious Balanced
- Retirement
- Diversified Alternatives
- Conservative

The return objectives for our investment options reflect targets over the stated investment horizon. Return objectives are targets, not actual returns, and are not a guarantee of future performance.

Based on industry guidance, the Standard Risk Measure (SRM) allows you to compare investment options expected to deliver a similar number of negative annual returns over any 20 years.

The SRM isn't a complete assessment of all forms of investment risk. For example, it doesn't show the size of a negative return or the potential for a positive return to be less than you need to meet your objectives. It also doesn't consider the impact of administration fees, costs, and tax on the likelihood of a negative return. For these reasons, always make sure you're comfortable with the risks and potential losses associated with your chosen investment option(s).

JANA Investment Advisers Pty Ltd ABN 97 006 717 568 (JANA) provides calculations for all options on the expected number of years of negative annual returns over any 20 years. JANA has given their consent and has not withdrawn it in relation to the inclusion of references to their calculations and figures in this guide.

Is your investment guaranteed?

No. The movement in unit prices, the repayment of capital and the performance of any investment option are not guaranteed. Investing in a specific investment option does not give any entitlement to the assets underlying that investment option.

How do we use derivatives?

Our policy is to use (and allow or instruct our investment managers to use) derivatives including forwards, futures, options and swaps as part of the overall investment strategy of the Fund to achieve investment objectives and to manage exposures efficiently. The Trustee has policies and controls in place to make sure that derivatives are used appropriately and investment managers operate within specific guidelines.

Derivatives may be used to manage risk and rebalance investment options to their target asset allocation using a combination of derivatives to reflect the risk characteristics of each asset class.

Investment management style

It's important to consider your needs when you are working out which investment option is right for you.

We offer ready-made diversified options and build-your-own single asset class options.

Some people like to get involved with their super, selecting investments to match their investor needs and checking to see that their asset allocation stays on track over time. Others prefer to use a diversified option and leaving the monitoring and the asset allocation decisions to us. The investment method that's right for you is largely determined by how involved you want to be, your investment expertise, and whether you use a financial adviser.

Investment style

Each option we offer is designed to cater for a wide range of investor needs, including:

- Active
- Index
- Single-manager
- Multi-manager
- Hedged
- Unhedged

Active and index investment options

We offer investment options that use:

- active management
- index management
- a combination of both.

When making decisions about your super, it is important to understand the difference between these different investment management styles.

Active investment options

Active investing is based on picking higher-performing securities or asset classes to beat the broad market. This is despite the higher costs involved.

Enhanced index management is a form of active management that's generally lower risk. Managers take short, well-diversified active positions that are relative to the benchmark. It's an approach that can potentially deliver returns that will beat the market, but with lower fees and volatility.

We employ active investment management in several options we offer. Our actively managed investment options are managed by a range of highly-rated investment managers selected by us and our investment consultant, JANA Investment Advisers Pty Ltd ABN 97 006 717 568 (JANA). JANA has given their consent and has not withdrawn it in relation to the inclusion of references to them in this guide.

We believe our active managers may deliver returns higher than returns from index managers, despite active management costs. In addition, we expect all our managers to:

- have world–class professional investment processes
- complement each other's processes and styles
- be cost-effective.

We manage investment risk by diversifying across manager styles in options where active investment management is employed.

Index investment options

Index management aims to replicate the performance of a broad market index such as the S&P/ASX 300 for Australian shares. Index management costs are typically lower than active management costs.

Our index investment options allow members to access a range of low cost, diversified (multi asset) and single asset class options that cater for different investor needs.

Multi-manager approach

We classify options as single or multi-manager. We generally prefer to create investment options using a multi-manager approach.

Multi-manager options use a combination of investment managers within the one investment option. This provides diversification across investment managers and generally reduces the risk of exposure to any one investment manager or style.

To find out if a particular option is currently single-manager or multi-manager, refer to the investment option panels in Our range of investment options.

Our Lifecycle Investment Strategy and the diversified options (except the Balanced - Index option) have more than 40 Australian and global investment managers. These managers are carefully selected by our experienced team of investment professionals.

Currency management

Currency fluctuations can impact the value of overseas investments.

The effects of currency movement on an investment can be reduced by currency hedging. Currency hedging fixes the value of the Australian dollar relative to one or several foreign currencies.

An investment or asset class can be fully hedged, partially hedged or unhedged.

- A fully hedged investment protects the investor from the effects of currency exchange rates.
- A partially hedged investment partially protects the investor from the effects of currency exchange rates.
- An unhedged investment doesn't protect the investor from the effects of currency exchange rates.

We have determined a strategic currency exposure for each of our investment options and pools, considering its specific circumstances, asset allocation and risk and return characteristics. An appropriate level of currency hedging is employed for each option to achieve the target currency exposure. Active managers can also vary the level of hedging to take advantage of expected currency movements.

How the Lifecycle Investment Strategy works in detail

Under the Lifecycle Investment Strategy, you'll be invested 100% in the Balanced Pool until age 55. After you turn 55, we gradually transition your account out of the Balanced Pool and into the Retirement Pool and Cash Pool.

This section explains how this transition occurs in detail. For an overview of the Lifecycle Investment Strategy, refer to About the Lifecycle Investment Strategy in this guide.

Why do we transition your account?

The Balanced Pool is structured with the aim of generating wealth over the long term. As you get closer to retirement, your investment needs will most likely change. The Lifecycle Investment Strategy gradually changes your investment mix from age 55 by transitioning your Accumulation account from the Balanced Pool to the Retirement Pool and Cash Pool.

How do we transition your account?

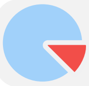
Generally, each month, and starting one month after your 55th birthday, a portion of your account balance is transferred out of the Balanced Pool.

The transferred money is split, with 90% going into the Retirement Pool and 10% going into the Cash Pool.

The last transfer occurs on or around your 65th birthday, after which the whole amount you have left in the Lifecycle Investment Strategy goes into the Retirement Pool and Cash Pool.

Your future contributions go into the investment pools based on your age, with an increasing proportion going to the Retirement Pool and Cash Pool after age 55.

Your account balance transfers



Monthly transfer out of the Balanced Pool

Retirement Pool Cash Pool

Your monthly transfer occurs on or around your day of birth, which is the day of the month that you were born, according to the following formula:

$$\frac{1}{\text{(number of months remaining to age 65 + 1)}} \times \text{Amount you have invested in the Balanced Pool}$$

- If your day of birth is on a weekend, your pool transfer will generally occur on the next business day.
- If any given month doesn't contain your day of birth (e.g. February, if your day of birth is the 31st), your monthly transfer will generally occur on or around the next business day.

Number of months remaining to age 65

You can use the table below to help work out your number of months to age 65.

Age	Number of months to age 65
55	120
56	108
57	96
58	84
59	72
60	60
61	48
62	36
63	24
64	12

Your future contributions

In addition to transferring your account balance from the Balanced Pool to the Retirement Pool and Cash Pool, the Lifecycle Investment Strategy changes the investment approach for the money going into your account. This includes employer contributions, personal contributions, rollovers from other super funds and investment option changes.

Before age 55, 100% of your contributions go into the Balanced Pool. From age 55, the proportion of your contributions allocated to each pool changes on or around your birthday each year, as shown below. For example, when you're 59, 50% of your contributions will go into the Balanced Pool, 45% to the Retirement Pool and 5% to the Cash Pool.

From age	Balanced Pool	Retirement Pool	Cash Pool
Under 55	100%	0%	0%
55	90%	9%	1%
56	80%	18%	2%
57	70%	27%	3%
58	60%	36%	4%
59	50%	45%	5%
60	40%	54%	6%
61	30%	63%	7%
62	20%	72%	8%
63	10%	81%	9%
64	0%	90%	10%
Over 65	0%	90%	10%

What if I have an Accumulation account, a Business Accumulation account or a Corporate Accumulation account and they are combined?

If you have an Accumulation account and a Business Accumulation account or a Corporate Accumulation account and leave your Business or Corporate employer, we will combine your accounts into your Accumulation account.

When this occurs, we will combine your amount in each pool and continue to process your account balance transfers and future contribution allocations as described in this guide.

What if we don't have your correct date of birth on file?

If your date of birth is listed incorrectly and we update it, we will contact you. The account balance transfers and future contribution allocations will apply using the corrected date of birth from the date it was updated.

Adjustments

If we need to adjust your account, we may need to change your investment allocation between the pools. We will contact you when this happens.

Rounding

Rounding variations may occur when calculating your pool transfers and future contribution allocations.

Important: It's important to note that the amounts you have invested in each pool depend on account balance transfers and contributions, plus the investment returns of each pool, based on the daily unit prices.

The Lifecycle Investment Strategy – an example

Robert's story

Robert is 42 years old and invests in the Lifecycle Investment Strategy. Initially, 100% of Robert's investments are in the Balanced Pool. After Robert turns 55, his account balance and future contributions will be transitioned into the Retirement Pool and Cash Pool, as shown below.

Robert's account balance

Robert was born on the 12 April. His first transfer will occur one month after he turns 55. On 12 May he has an account balance of $150,000, and 119 months remain until he reaches age 65. This means the portion transferred is calculated as follows:

Transfer out of the Balanced Pool:

= 1/ (119+1) of $150,000

= 1/120 x $150,000

= $1,250 (leaves $148,750 in the Balanced Pool).

Transfer 90% of $1,250 into the Retirement Pool:

= $1,250 x 0.9

= $1,125 in the Retirement Pool.

Transfer 10% of $1,250 into the Cash Pool:

= $1,250 x 0.1

= $125 in the Cash Pool.

A transfer out will generally happen every month. Now let's fast forward nearly 10 years and Robert is now 65. As a result of regular super contributions and investment returns, his account (in this scenario only) has grown to $400,000. He has $5,000 invested in the Balanced Pool, $355,500 in the Retirement Pool and $39,500 in the Cash Pool.

When his final transfer occurs on his 65th birthday, there are zero months until he reaches age 65. This means his final transfer is calculated as follows:

Transfer out of the Balanced Pool:

= 1/ (0+1) of $5,000

= 1/1 x $5,000

= $5,000 (leaves $0 in the Balanced Pool).

Transfer 90% of $5,000 into the Retirement Pool:

= $5,000 x 0.9

= $4,500 (Total Retirement Pool balance = $360,000).

Transfer 10% of $5,000 into the Cash Pool:

= $5,000 x 0.1

= $500 (Total Cash Pool balance = $40,000).

Robert's contributions

Robert's contributions go into the Lifecycle Investment Strategy. The amounts allocated to each pool depends on his age, as shown in the Your future contributions table on page 33.

When Robert turns 54 years of age, he receives a contribution of $1,000. We would allocate this contribution as follows:

Allocation	Balanced Pool	Retirement Pool	Cash Pool
Proportion	100%	0%	0%
Amount	$1,000	$0	$0

If after he turns 55, Robert receives a contribution of $1,000. We would allocate as follows:

Allocation	Balanced Pool	Retirement Pool	Cash Pool
Proportion	90%	9%	1%
Amount	$900	$90	$10

Now let's fast forward 10 years to Robert's 65th birthday. He receives a contribution of $1,000. We would allocate as follows:

Allocation	Balanced Pool	Retirement Pool	Cash Pool
Proportion	0%	90%	10%
Amount	$0	$900	$100

This example is illustrative only.

Administering your investments

Changing your investment option(s)

You can change the investment option(s) in your existing account balance and/or the investments of new money coming into your account at any time.

Changing investment option(s) for your existing account balance involves selling units in one or more investment option(s). The proceeds are then used to purchase units in one or more other investment option(s).

If you change your investment option you will sell your units at the exit unit price and purchase the new units at the entry unit price. Please refer to page 36 for more information on buy-sell spreads. However, please note we do not charge a buy-sell spread for any of our investment options.

These transactions are processed on the same business day and use the unit prices for the same business day. Please see our Accumulation Guide for more information on when transactions are processed and the unit prices used for investment option changes.

Note: When you change the investment option(s) for your existing account balance, account balances displayed on **Member Online**, on our app, or provided by us over the phone use the most recently available unit prices. These are generally the prices that applied two business days prior. Changing your investment option(s) for any new money coming into your account involves redirecting all money paid into your account in the future to one or more different investment option(s).

Changing your investment option(s) is easy

You can make changes to your investments via **Member Online** or the Australian Retirement Trust App (for instructions, visit **australianretirementtrust.com.au/app**) or you can contact us on **13 11 84**.

Once you have made your choice, review your investments regularly to keep your goals on track.

Changing your investment option(s) and the Lifecycle Investment Strategy

Perhaps you'd like to change your investment option(s) and invest in the Lifecycle Investment Strategy. In that case, your account will be invested based on your age as per the Your future contributions table on page 33 in this guide.

If you change your investment option(s), where both before and after the change a portion of your account balance goes into the Lifecycle Investment Strategy, we will rebalance the amount you have invested in the Lifecycle Investment Strategy as per the Your future contributions table in this guide.

Frequent investment option changes

Frequent changes between investment option(s), or attempts to time investment markets, may put your superannuation account and future retirement benefits at risk.

Please note:

- It is generally not good practice to frequently change between investment options.
- You are solely responsible for evaluating which investment option is right for you.
- We don't typically limit the number of changes you can make to your investment option(s).
- We will monitor members' accounts for frequent changing activity from time to time and reserve the right to limit the number of changes a member can make.

Changes to the investment options we offer

From time to time we may add new investment options, close existing investment options or alter any investment option. We will notify you of any significant changes.

If we close an investment option, we will move your account balance in the closed investment option to an appropriate investment option. We will give you a choice (most often before the investment option is closed) to select another investment option.

Unit prices and buy-sell spreads

What is a unit price?

When you invest in an investment option, you buy 'units' in that option. Each unit has a dollar value or 'unit price'. The number of units you buy equals the amount you invest (less contributions tax, if applicable) divided by the unit price.

When you withdraw an amount from an investment option, you sell units in that investment option. The number of units you sell equals the amount withdrawn divided by the unit price.

How and when is a unit price calculated?

Calculations for unit prices in each investment option usually happen each business day. They are based on the latest available value of net assets at the applicable close of business in all relevant domestic and international markets for that day.

Where the value of net assets at the close of business is not available for an investment, we reserve the right to estimate the value of net assets based on industry-accepted indices.

Some of the assets included in our investment options are not subject to daily revaluations. As a result, the total realisable value of these assets may not be reflected in the value of net assets used in the unit price calculations. Therefore, we reserve the right to exercise discretion and use our best judgment in assigning an appropriate and latest available value to these assets.

To determine the unit price of an investment option, we calculate:

- the total value of the option's assets (including any income entitlements)
- minus its liabilities
- divided by the number of units on issue for that option.

The unit prices include allowances for tax on investment earnings (where applicable), investment fees and costs and transaction costs.

We reserve the right to temporarily suspend unit prices if extreme market volatility or circumstances outside of our control mean we can't calculate a unit price. If we need to suspend a unit price for any or all of our options, we may stop processing transactions until a unit price is available. If we need to suspend unit prices, we will let you know via our website **australianretirementtrust.com.au/unitprices**

The purpose of and the procedures relating to any reserves can be found in our Annual Report at **australianretirementtrust.com.au/about/annual-reports**

How can you review unit prices?

Historical unit prices are available on our website at **australianretirementtrust.com.au/investments**

The unit price for a specific business day will typically display online two business days later.

How can you calculate your account balance?

Calculate your account balance by multiplying your units in each investment option by the unit price for each option. Calculations for unit prices occur daily, so the value of your account may change daily.

What are buy-sell spreads?

Buy-sell spreads are fees to recover transaction costs incurred by the trustee of a super fund in relation to the sale and purchase of assets of the fund. Currently, we do not charge a buy-sell spread for any of our investment options. However, we reserve the right to apply a buy-sell spread at our discretion.

When investing money in an investment option with a buy-sell spread:

- the entry unit price includes a buy spread and is used to buy units
- when withdrawing money, the exit unit price includes a sell spread and is used to sell units
- the buy-sell spread may vary from time to time to reflect the spreads charged by the relevant investment managers.

Important Information about the indices we reference in this guide and the PDS

Bloomberg AusBond Bank Bill Index

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Bloomberg AusBond Composite 0+ Yr Index

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Bloomberg Barclays Global Aggregate Index in $A

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MSCI ACWI Net Investable Market Index (IMI) in $A

Source: MSCI. The MSCI data comprises a custom index calculated by MSCI for, and as requested by, QSuper Limited.[1] The MSCI data is for internal use only and may not be redistributed or used in connection with creation or offering any securities, financial products, or indices. Neither MSCI nor any other third party involved in or related to compiling or creating the MSCI data (the “MSCI Parties”) makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability, or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential, or any other damages (including lost profits) even if notified of the possibility of such damages.

1 QSuper Limited (ABN 50 125 248 286 AFSL 334546) has been appointed by the Trustee as a procurement entity.

S&P/ASX 300 A-REIT Accumulation Index

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