

PRIME SUPER

INVESTMENT POLICY STATEMENT

NOTE: This is a short form version of the Investment Policy Statement. The full document is available to members upon request.

Dated: April 2010

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Section 1 Introduction

- 1.1** The purpose of this Statement is to document the processes formulated by the Trustee of Prime Super (the Fund) in relation to the investment of the assets of the Fund.
- 1.2** Under the Fund's Trust Deed, wide ranges of investments are available to the Trustee. Prohibited investments (which are either specifically spelt out in the Trust Deed or are deemed to apply because of legislation) are:
- (a) loans to members;
 - (b) assets acquired from members;
 - (c) 'in-house' assets exceeding 5% of the market value of all Fund assets. A detailed description of an in-house asset is contained in a separate policy on in-house assets.
- 1.3** In establishing the investment objectives the Trustee should consider the various stakeholders and their particular requirements.
- 1.4** In considering the investment objectives and strategy the Trustee should consider various aspects of risk including:
- Negative returns;
 - Volatility (standard deviation of annual returns);
 - Credit risk;
 - Under- performing benchmarks; and
 - Under- performing competitors.
- 1.5** The Fund operates two distinct products, a Superannuation offering and an Allocated Pension and offers a range of investment choices including premixed and sector specific options. The investment options offered are:

Premixed options:

- Default option;
- Managed Growth option;
- Conservative option; and
- Target Return option

Sector options:

- Australian Shares option;
- International Shares options;
- Property option;
- Fixed Interest option; and
- Cash option.

The Default option is the default investment option, i.e. where members who do not make an investment choice, their investments will be invested in this option. Interest

is allocated to this investment option through a crediting rate that is based on the option's investment return, in accordance with the Trustee's crediting rate policy.

Members may choose to invest in one or any combination of the Investment Options, and may invest their future contributions in a different manner to which their account balance is invested. Members have the opportunity to switch their account balance between investment options on a monthly basis.

1.6 The Trustee maintains two reserves as follows:

- The Investment Reserve is a reserve maintained to manage the crediting of interest earned to members. The balance of this reserve represents a conservative allowance for any unknown elements as at the date of setting the crediting rate, such as tax credits, distributions, unlisted investment valuations etc., that ensures the reserve has a balance that is greater than \$0;
- Administration Reserve – this reserve is maintained to meet all operational expenses incurred by the Fund. Fees deducted from members are accumulated in this reserve, and all operational expenses are deducted from the reserve. All investment related expenses are deducted from the Investment Reserve.

1.7 Any reserves of the Fund are invested in accordance with the actual asset allocation of the Default option.

Section 2 Investment Strategy

2.1 Overview of Investment Beliefs and Philosophy

The Trustee recognises that the achievement of competitive long-term investment returns commensurate with the retirement income aspirations of members will require that Prime Super accepts investment risk. Risk free investments will not generate sufficient returns to deliver the desired growth in the real value of the members' balances.

In accepting the need to take investment risk, the Trustee recognises that certain factors will have a critical influence on Prime Super's investment performance. These are:

- the setting of investment objectives to reflect the best interests of the members;
- the strategic asset allocation (for the diversified investment choices);
- consideration of Prime Super's liquidity position
- the ability to capture the available market returns with confidence and to achieve the targeted returns on the direct investments;
- maintaining a regular vigilance over and research into evolving market opportunities and risks; and
- the clarity of the accountability and delegation processes used in the investment program (governance).

The Trustee accepts that investment theory and market experience have demonstrated the importance of asset allocation in influencing long term returns. In particular, the Trustee believes that in the long term, equities (profit participation) will produce higher returns than fixed interest, though the latter will have more stable valuations in the short term. Therefore, it is Trustee policy that each diversified investment choice is carefully formulated and periodically reviewed.

2.2 Investment Objective

The fundamental objective of superannuation investment is to grow the long-term, real value of member contributions for the purpose of providing for retirement income. In formulating investment strategy, it is vital to be clear about the investment time horizon.

While the investment horizon of members and impact of cumulative returns suggest that investment strategy should recognise this long-term horizon, trustees are faced with a dilemma as investment choice and fund choice create the threat of short-termism in member behaviour. The Trustee believes the appropriate policy is to adopt a long-term investment plan for building member wealth and not be sidetracked by concern for the short-term behaviour of some members. Attention can and should be paid to managing the short-term risk but not to the detriment of long-term results. This policy approach is in the best interests of all the members.

For the diversified Member Investment Choice (MIC) options, Prime Super's overarching aim is to maximise the real rate of return, while holding risk to an appropriate level, for the purpose

of providing for members' retirement income. The prudent management of members' funds involves ensuring a high level of confidence in obtaining the desired return, and recognising the need for liquidity and equity among members over intermediate time periods.

2.3 Prime Super's Investment Approach

While funds generally express their objective in terms of maximising returns, economic constraints suggest that a long term real return of 5%+ is approaching the limits that a well diversified listed market based portfolio might expect to achieve. Less dependence on equities would put market returns in the 3-5% range.

The stated investment objective for the Default option is to outperform (after fees and taxes) CPI + 4% per annum over rolling five year periods. To help ensure this objective is met Prime Super generally aims to achieve a long-term real return of more than 5%, without meaningfully increasing risk above that of other peer superannuation funds.

In order to achieve this goal, Prime Super's investment strategy involves investing in a diverse range of listed and unlisted assets through the use of two distinct investment portfolios:

- The Market Portfolio – consists of listed sectors, such as cash, fixed interest and shares.
- The Target Return Portfolio – consists of alternative investments, including infrastructure, direct property, private equity, natural resources and high yield debt.

Market portfolio investments are measured against the relevant market index (benchmark). This portfolio seeks to outperform moderately the relevant listed market indices, with high conviction, minimal risk and low management costs.

The long investment horizon of most of Prime Super's members allows the adoption of a long-term view of investment that enables Prime Super to take advantage of investing in unlisted assets. Each asset within the Target Return Portfolio is measured against an absolute return target that is set by Prime Super's Trustee and reflects the expected return of the market portfolio plus additional return premia that is expected to adequately compensate members for the risks inherent of investing in that asset. Overall, the Target Return Portfolio consists of a diversified portfolio of these investments and is designed to deliver:

- attractive total returns in light of the risks taken;
- returns that are driven by long-term annuity cash flows; and
- a relatively low correlation with the performance of listed shares in most market cycles.

These characteristics mean that assets within this portfolio often help cushion members' returns against short term fluctuations in listed markets, while providing returns that may be in line with or higher than listed equities over the long run. In this manner, Prime Super's relatively

high strategic allocation to alternative assets (that is, the Target Return Portfolio), allows Prime Super to diversify, across the whole of the portfolio, its exposure to listed share markets.

2.4 Stress Testing

The Trustee recognises the importance of stress testing in order to understand the risks inherent in the Prime Super's portfolio under differing investment environments. Accordingly, stress testing of both Prime Super's asset allocation and liquidity position is undertaken as part of the annual Strategic Review. The outcomes of this testing feed into the Trustee's decision making, as appropriate, with regards to the setting of the strategic asset allocation.

Scenario analysis of Prime Super's asset allocation is undertaken on two levels to examine:

- the expected risk and return outcomes for Prime Super's portfolio under a number of conceivable investment environment scenarios; and
- the impact on the expected risk and return outcomes for Prime Super's portfolio from altering the risk and return assumptions input into the modelling framework.

The illiquid nature of target return portfolio assets necessitates active management of the liquidity position of this portfolio and its broader impact on the liquidity position of Prime Super. Recognition of this concern partly informs the strategic allocation to the Target Return Portfolio; the strategic allocation is set by reference to a level of investment in illiquid assets which can withstand severe and combined liquidity shock scenarios. This approach seeks to ensure that the level of exposure to less liquid assets is consistent with the ability of Prime Super to meet its current and prospective liabilities within a range of market conditions, including the severe downside scenarios reflected in a combined shock scenario.

2.5 Managing Active Risk

The market portfolio represents a highly reliable long-term means of building wealth. Its reliability stems from the ability of investors to counter outcome (default) risk of individual investments through diversification within asset classes. By buying the market, specific risk can be diversified away. This leaves the market portfolio exposed only to the risk of the health and growth of the economy.

In terms of active returns, the market portfolio's strategy is focussed on providing moderate after-fees excess returns with confidence (that is, high information ratio) through a highly liquid, tax efficient and low cost diversified market portfolio. This is underpinned by the general philosophy that it is better for Prime Super to spend more of its risk budget seeking outperformance in the Target Return Portfolio rather than in the more efficient listed markets.

The Target Return Portfolio inherently involves active risk taking. Prime Super's experience suggests that skill can be applied in pricing specific risk to provide confidence that the rewards

are commensurate with the risks assumed. The resulting significant specific risk embedded in target return investments means their drivers of return are somewhat independent of the price performance of the broad listed markets and, in some cases, of economic conditions. This characteristic will vary between target return assets, for example some target return assets will have a greater exposure to economic growth and general equities and credit market performance than others.

2.7 Asset Clusters for the Target Return Portfolio

To provide a sensible framework for policy setting, target return assets are grouped into five broad clusters: unlisted property, infrastructure, natural resources, credit opportunities and private equity investments.

- *Unlisted property* describes investments in securities outside of listed markets with significant exposure to property. These investments may be via direct investment in real property or via investments in unlisted funds. Returns on individual property investments are generally dependent on factors other than broad market movements.
- *Infrastructure investments* are generally of a capital-intensive and special purpose nature and include unlisted equity investment in infrastructure, resources or other industries. Infrastructure investments generally deliver annuity returns which are underpinned by ongoing public use and often exhibit monopoly characteristics
- *Natural resources* involve investing in renewable and non-renewable assets, which are naturally occurring and sold largely unmodified, in their natural form. Potential investments in this asset cluster may include timberland, solar energy, wind energy, oil, gas and carbon credits;
- *Credit opportunities* include both senior and subordinated debt investments as well as collateralised debt opportunities (CDOs). CDOs are special purpose vehicles established to purchase a diverse pool of corporate fixed interest securities (the collateral portfolio); and
- *Private equity* is investment in unlisted equity. Private equity includes venture capital, expansion capital and management or leveraged buy-outs.

Some Target Return Portfolio investments may not fit neatly into these groupings (or equally could be included in more than one grouping).

2.8 Growth versus Defensive Classification

In broad terms, investments are typically classified as 'growth' assets if their future cash flows are expected to grow significantly over time. Growth assets also typically entail greater risk and expected return than defensive assets. A portfolio's percentage of growth assets, the "growth ratio" is commonly used by the superannuation industry to classify investment options or to

communicate their overall risk profile. However, there is no universal standard of what constitutes a growth asset.

Listed equities are universally accepted as growth assets, while low risk fixed interest investments are universally accepted as defensive assets. This makes the classification of listed portfolios a relatively straight forward process. However, a single accepted approach to this issue does not currently exist for alternative assets, where the split between growth and defensive assets is much less standardised.

For each option, the growth ratio has been based on the following classifications:

- Market Portfolio: cash and fixed interest allocations are assumed to be defensive, while equity allocations are assumed to be growth assets; and
- Target Return Portfolio: the recommended target of 32.5% defensiveness has been assumed across Prime Super's TRP.

The calculated growth ratios remain consistent with the stated objectives of each option. Refer to Appendix B for a summary of the investment objectives and risk profiles of the Fund's MIC options.

2.9 Cluster Ranges for the Target Return Portfolio

Table 1 shows the cluster ranges for Prime Super's Target Return Portfolio as a percentage of the total fund. These ranges do not provide specific constraints for investments within each cluster – for example, the split between investments in existing properties compared with property developments or the split between infrastructure debt and equity investments. Instead, these decisions are made as part of consideration of the drawdown exposure and factor risk exposure of the Target Return Portfolio overall.

Table 1: Target Return Portfolio Asset Cluster Investment Ranges

Investment Cluster	Allocation of Total Portfolio (%)
Private Equity	0.0 – 10.0
Infrastructure Investments	0.0 – 20.0
Direct Property	0.0 – 17.5
Natural Resources	0.0 – 5.0
Credit Opportunities	0.0 – 10.0
Total Allocation	40.5

Prime Super has set the target allocation to target return investments to 40.5% for the Default option and this overrides the maximums permitted within individual allocations. Prime Super intends to review the ranges periodically in light of experience and market opportunity.

Section 3 Investment Policy

3.1 Decisions and Delegations

The Board of Prime Super has ultimate responsibility for the investment decisions of the Fund. The Investment Committee has the following authorities:

- can reallocate money between existing investment managers;
- can allocate new money to existing investment managers;

Decisions of the Investment Committee that require approval by the Board are:

- appointment of new investment managers;
- changes to the ranges within a strategic asset allocation; and
- any changes to this Investment Policy Statement.

3.2 Scope of Investment and Asset Allocation

The Trustee will use the services of professional investment advisers and managers for the management of Prime Super's assets. It will also invest directly.

Prime Super's assets will be held:

- directly (generally by special purpose subsidiaries); or
- in individual portfolios managed within agreed mandates; or
- through collective investments, e.g. Unit Trusts; or
- through Pooled Superannuation Trusts or like products offered by Life Offices.

Managers may use derivatives including futures contracts, options and currency forwards to either protect the value of their portfolios or to manage them efficiently within set asset allocation ranges. Derivatives may not be used to gear the fund. Use of derivatives should be in accordance with the relevant Derivatives Risk Statement.

Style and sector tilts within asset classes may be adopted to take advantage of medium term market developments where material mispricing occurs. Similarly investment decisions will be tilted to reflect current views on the risk and return trade off.

3.4 Foreign Currency Hedging

Prime Super currently manages its foreign currency exposure at the total portfolio level, taking into account business risk (the risk of underperforming peer funds), absolute risk (the volatility of total portfolio returns) and liquidity risk (the risk of insufficient liquidity in the portfolio).

Prime Super partially hedges the total foreign currency exposure arising from developed overseas equity investments and Target Return Portfolio assets. The exceptions to this are currently any Indian domiciled assets, as well as any foreign currency exposure arising from

pooled private equity that totals less than 0.50% of fund size. Prime Super also currently maintains an unhedged position in respect of its emerging markets exposure.

Prime Super's targeted level of foreign currency exposure is monitored on an ongoing basis and adjusted from time to time in accordance with any meaningful changes in business risk estimates or assessments regarding the medium-term outlook for the Australian dollar.

3.5 Exercise of Voting Rights Attaching to Equities

The Trustee recognises that there is widespread community consideration of the prudent and diligent exercise of voting rights attaching to equities held by superannuation funds.

The Trustee has reviewed the proxy voting policies of each of its investment managers to ensure voting rights of collective investments and directly held equity investments (through separately managed investment arrangements) are being monitored and appropriately utilised. The Trustee will also utilise the services of a third party service provider to monitor shareholder voting responsibilities. Where the Trustee believe it is necessary to cast a vote directly it shall do so, otherwise voting will be left up to the discretion of the manager.

For target return investments, Prime Super's policy is to seek the right (including jointly with closely aligned co-investors) to appoint a nominee to the Board of each investee company or to the advisory board in the case of managed funds. Where direct representation on an investee Board is not secured, access to Board papers and minutes of Board meetings is a minimum requirement.

3.6 Advisors and Managers

It is the Trustee policy to take professional advice in the formulation of investment strategy and the selection, implementation and monitoring of its investments. The trustee appoints a professional Investment Advisor to advise the Board on all aspects of the investment functions of the Fund. From time to time the Trustee may require the input of a second, or specialist, asset consultant to provide a counter view to the primary Investment Advisor. A secondary Investment Advisor will only be appointed upon the approval of the Board.

The Trustee appoints professional Investments Managers to manage the investments of the Fund. Managers of monies invested within the Target Return Portfolio will be appointed based on their skill in the specific of any investment. All investment managers selected by the Trustee will be independent and publicly known. They will be independently audited each year.

Prime Super will only invest in directly owned assets on the basis of favourable full risk analyses and appropriate due diligence reports conducted by professionally qualified advisers who are publicly known and highly regarded for their expertise

The duties and responsibilities of all Prime Super's investment services providers will be formally documented and are monitored on an ongoing basis. Appointments may be terminated, particularly following a period of sustained underperformance, if the reasons for selection no longer apply.

3.7 Manager Structure

The Trustee, in consultation with the Investment Advisor, has formed the following broad policy decisions with respect to manager structure:

- to use active specialist (i.e single asset class) management in sectors where out performance can reasonably be expected;
- to use passive management in situations where the expected value added by active management is low, and /or where risk and fee advantages can be gained;
- to reduce investment risk by investing with a number of separate specialist investment managers; and
- alternative assets can be used to improve the return expectations without significantly affecting the risk profile of the Fund.

3.8 Liquidity

The Trustee has approved a Liquidity Policy Statement. This statement is reviewed on an annual basis or updated more regularly, as required.

The Trustee recognises the need for adequate liquidity at all times. The rules to govern a fund include taking account of:

1. The risk involved in an investment , having regard to its objectives and cash flow requirements;
2. The composition of the entity's investments as a whole, including the diversification of investments
3. The liquidity of the entity's investments having regard to cash flow requirements; and
4. The ability to discharge its existing and prospective liabilities.

3.9 Reporting and Monitoring

The principal goals in monitoring the performance of Prime Super's investment options are to determine the:

- return that would have been earned if the strategic asset allocation had achieved the relevant index performance;
 - margin of additional return earned by adopting the current investment approach;
 - performance of each Prime Super investment manager against its relevant index;
 - performance of each Prime Super investment manager against its peers;
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- performance of directly owned assets against expectations and relevant alternatives;
- median return that has been earned by comparable investment portfolios;
- performance of individual asset classes will be measured against appropriate indices; and
- investment portfolios will be continuously monitored.

Performance will be reported monthly for the month just ended, the financial year to date and on a rolling 12 months basis. In addition, a quarterly evaluation of market portfolio manager performance and a half yearly evaluation of the progress and prospects of each Target Return Portfolio asset will be undertaken.

3.10 Crediting Rate Policy

The crediting rates for the investment options are set on a monthly basis once their related earnings rates have been determined.

Until the crediting rates for a particular month have been set, interim crediting rates will apply to enable equitable member transactions.

The Trustee reserves the right to review the interim crediting rates at any time to take account of significant changes in underlying investment values.

3.11 Custody and Valuation

All investments held by the fund will be held by the custodian who will be accountable for the collection and recording of income and sale proceeds and the disbursement of funds for investment under valid instructions by the Trustee to the Trustee's delegates, and for the proper recording of these transactions.

The Trustee has set down its policies for the valuation of investments in the Valuation Manual. All assets will be regularly valued in accordance with Australian Accounting Standard 25 and Australian Venture Capital Association Limited rules and other standards and guidelines, as applicable.

3.12 Compliance and Audit

The Trustee has established a compliance system to apply to the investment program and to report to the fund's Audit Committee on the system and its findings.

3.13 Derivative Risk Statements

The Trustee has approved Part A and Part B Derivatives Risk Statements, as required by regulatory authorities. These statements are reviewed on an annual basis or updated more regularly, as required.

The Trustee reviews the Part B Derivatives Risk Statements of its investment managers on an annual basis as part of the annual compliance review of listed managers undertaken by Prime Super's investment adviser.

3.14 New Strategic Asset Allocation

Regular reviews of the investment portfolio and the underlying strategic asset allocations are undertaken. As a result of the global financial crisis, it was appropriate that some small changes be made to the strategic asset allocation to better position the Fund for long term growth. Over the longer term a moderate increase in the allocation to defensive assets was merited to allow the Fund to be less affected by the adverse investment environments and manage any liquidity issues that may arise, whilst maintaining a strong growth focus. From 1 March 2010 the strategic asset allocation will be amended as per Appendix A

Section 4 Updates and Changes to this Statement

- 4.1** This Statement, and the objectives, strategy and policies contained herein, is to be reviewed by the Trustee at least once a year, or as appropriate.
- 4.2** This Statement is intended to be effective for an indefinite period. However, changes may need to be made and should be considered if:
- a) there is a major change in the circumstances of the Fund of the Trustee;
 - b) benefit design changes are made to the Fund;
 - c) changes are made to Government Regulations relating to the Fund's investments;
 - d) new investment vehicles are launched, that the Trustee considers are suitable substitutes for the Fund's existing investments; or
 - e) fundamental long term social, political or economic restructuring occurs.

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Appendix A Strategic Asset Allocation Strategy

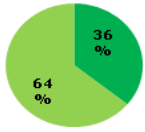
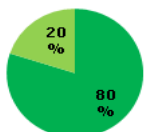
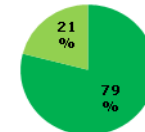
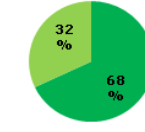
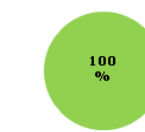
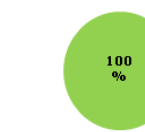
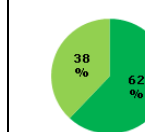
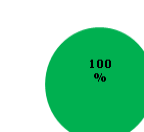
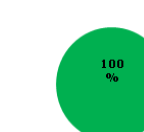
Regular reviews of the investment portfolio and the underlying strategic asset allocations are undertaken. As a result of the global financial crisis, it was appropriate that some small changes be made to the strategic asset allocation to better position the Fund for long term growth, Over the longer term a moderate increase in the allocation to defensive assets was merited to allow the Fund to be less affected by the adverse investment environments and manage any liquidity issues that may arise, whilst maintaining a strong growth focus. From 1 March 2010 the strategic asset allocation will be amended to the following:

Strategic asset allocation from 1 March 2010

Target Asset Allocation	Default	Managed Growth	Conservative	Target Return	International Equities	Australian Equities	Property	Fixed Interest	Cash
Target return portfolio	40.5	55	25	100	0	0	100.0*	0	0
Cash	3	3	32	0	0	0	0	0	100
Australian Fixed Interest	2.5	0	16	0	0	0	0	66.7	0
Overseas Fixed Interest	1.5	0	8	0	0	0	0	33.3	0
Australian Equities	30	24.5	11.5	0	0	100	0	0	0
International Equities	19.5	15	7.5	0	100	0	0	0	0
Emerging Markets	3	2.5	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	100	100	100

* the Property investment choice option is invested 100% in the property investment in the Target Return Portfolio.

Appendix B Investment Objectives and Risk Profiles

Inv option	Pre-mixed options				Sector options				
	Conservative	Default	Managed Growth*	Target Return	Cash	Fixed Interest	Property	Australian Equities	International Equities
Risk	Low - medium	Medium - high	Medium - high	Medium - high	Low	Low - medium	Medium - high	High	High
Overview	For members who value security over returns. This option invests primarily in defensive assets with the aim of protecting the value of a member's net investment.	For members who want moderate to high returns over the medium to long-term and are prepared to accept some fluctuation in returns over the short-term. This option invests in a diversified range of investments.	For members who want moderate to high returns over the medium to long-term and are prepared to accept some fluctuation in returns over the short-term. This option has a higher exposure to alternative investments including infrastructure and property investments than the Default option.	For members who want strong returns over the long term. This option invests primarily in unlisted assets and as such investment performance is not expected to closely follow listed equity markets.	For members who place the security of their assets over returns. This option invests solely in low risk fixed interest securities and is expected to produce returns that are moderately higher than inflation.	For members who seek moderate returns for a low level of risk. Losses however are still likely to occur over some periods.	For members who have a preference for seeking moderate to high returns through investing in property. Investment is through listed and unlisted property vehicles.	For members who want strong returns over the long term and are prepared to accept a higher level of risk to achieve this. This option invests in Australian listed companies and returns are expected to vary significantly year to year.	For members who want strong returns over the long term and are prepared to accept a higher level of risk to achieve this. This option invests in International listed companies and returns are expected to vary significantly year to year.
Asset allocation	 ■ Growth Assets ■ Defensive Assets	 ■ Growth Assets ■ Defensive Assets	 ■ Growth Assets ■ Defensive Assets	 ■ Growth Assets ■ Defensive Assets	 ■ Defensive Assets	 ■ Defensive Assets	 ■ Growth Assets ■ Defensive Assets	 ■ Growth Assets	 ■ Growth Assets
Inv objective	To outperform (after tax and investment expenses) CPI by at least 3% per annum over the medium term. To limit the likelihood of a negative return to approximately 1 in 10 years.	To outperform (after tax and investment expenses) CPI by at least 4% over the medium term. To limit the likelihood of a negative return to approximately 1 in 7 years.	To outperform (after tax and investment expenses) CPI by at least 5% over the medium term. To limit the likelihood of a negative return to approximately 1 in 5 years.	To outperform (after tax and investment expenses) CPI by 7% over the long-term. To limit the likelihood of a negative return to approximately 1 in 5 years	To match the UBS Australian Bank Bill Index.	To achieve a rate of return (after tax and investment expenses) broadly in line with major Australian and International Bond Indices.	To outperform (after tax and investment expenses) CPI by at least 6% over the long-term.	To achieve a return (before tax and investment expenses) broadly in line with the ASX 300 Accumulation Index.	To receive a pre-hedged return (before tax and investment expenses) broadly in line with the MSCI World Index.
Time horizon	3 or more years	5 or more years	6 or more years	6 or more years	Any time period	1 or more years	6 or more years	7 or more years	7 or more years

The Managed Growth investment option has a higher investment return objective, despite having exposure to less growth assets than the Default option. This is due to differences in asset allocations. The Managed Growth option has a higher weighting to Target Return Portfolio assets (which includes some defensive assets) and a lower weighting to Australian and International Equities when compared to the Default option. The higher exposure to Target Return Portfolio assets brings with it a higher return expectation while the lower weighting to listed equities reduces volatility.