

Sunsuper for life Investment guide

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How to use this guide

This *guide* applies to members of *Sunsuper for life*, *Sunsuper for life Business* and *Sunsuper for life Corporate*. *Sunsuper for life* is our public offering. *Sunsuper for life Business* and *Sunsuper for life Corporate* are for organisations that have negotiated customised arrangements for their employees. Members can only access *Sunsuper for life Business* and *Sunsuper for life Corporate* through their employer.

This *guide* will provide you with important information to help you to better understand your super. Make sure you read this *guide* so you can make informed decisions and get the most from your super – from your very first day of work, throughout your working life and during your retirement.

Important information

This is the *Sunsuper for life Investment guide*. The information in this *guide* forms part of the *Sunsuper for life Product Disclosure Statement (PDS)* issued 1 July 2019, the *Sunsuper for life Business PDS* issued 1 July 2019 and the *Sunsuper for life Corporate PDS* issued 1 July 2019. These *PDSs* reference important information contained in this *guide* by "it". This *guide* may reference important information contained in the *Sunsuper for life guide*, *Sunsuper for life Insurance guide*, *Sunsuper for life Business Insurance guide*, *Sunsuper for life Business Plan information factsheet* and the *Sunsuper for life Corporate Insurance guide*. The relevant *PDS* should be read in its entirety before making a decision to acquire or continue to hold an interest in Sunsuper.

Investments in Sunsuper are not bank deposits and are not guaranteed.

General advice disclaimer

This document contains general information only and doesn't take into account your personal objectives, financial situation or needs. You should consider the appropriateness of the information in this document with regard to your objectives, situation and needs. You should obtain financial advice tailored to your circumstances. Call us if you would like to speak to a qualified financial adviser.

Protecting your privacy

Sunsuper respects the privacy of the information you give us. If you require a copy of our Privacy Policy visit sunsuper.com.au/privacy or contact us.

Financial Services Guide (FSG)

Contains information about the financial services Sunsuper Pty Ltd provides and will help you decide whether to use these services. Visit sunsuper.com.au/fsg or contact us for a copy.

Information in this *Investment guide*

This *guide* contains important information about Sunsuper's investment options. It is structured to provide you with what you need to know to make an investment choice.

Read through this guide to:

- Find out what type of investor you are and how you can reach your goals by identifying your needs.
- Learn how your account is administered and how to keep on top of your super.
- Choose from our Lifecycle Investment Strategy (*Super-savings accounts* only), our 7 other diversified options, or build your own investment mix using our 12 single asset class options.
- Learn more about your investment options.
- Understand the fees and costs that apply to the investment choice you make.

Once you have worked out your investment needs and are ready to make an investment choice, you can easily change your investment option(s):

- Log into *Member Online* at **sunsuper.com.au/memberonline**
- The Sunsuper app (head to the App Store or Google Play to download the Sunsuper app), for instructions visit **sunsuper.com.au/app**

At Sunsuper, we make it simple for you to invest your super.

The importance of diversification

When investing, it's important not to put all your eggs in one basket. Diversification, or spreading your money across a number of different investments, reduces your portfolio's reliance on the performance of any one investment. If your portfolio is diversified and one investment falls in value, others that are performing well may make up for the loss. There are many ways to diversify. All of Sunsuper's investment options offer diversification in one or more of these ways: across asset classes, across investments within an asset class, across investment managers or across countries.

Strong investment performance

The Balanced investment option, for *Super-savings accounts*, which has identical investments to the Balanced Pool in the Lifecycle Investment Strategy,¹ has outperformed the super industry average over 1, 3, 5, 7 and 10 years.

(Source: SuperRatings Fund Crediting Rate Survey March 2019). **Warning:** Past performance is not a reliable indication of future performance.

¹ The Lifecycle Investment Strategy commenced 4 October 2013.

1. Identify your investor needs

The more time you have to invest, the more time you have to 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

When you retire, is that it for super?

Well, probably not. You might take 20, 30, or 40 years to build up your super. 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 in anyone's language.

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 the ultimate purpose for your investment, your personal circumstances and retirement goals.

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

To help you determine what type of investment goals you have, Sunsuper has 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.

10/30/60 rule

Did you know around 60% of your retirement income could come from investment earnings on your super after retirement?¹ Super contributions can account for approximately 10% of your total retirement income, with the remaining 30% a result of investment earnings on your accumulation of super prior to retirement. Choosing the right investments makes a difference to your income in retirement.

¹ Source: Russell Investments The 10/30/60 Rule January 2015.

Speak to a financial adviser

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

Sunsuper 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 total financial situation. Speak to your adviser or contact Sunsuper to get the advice you need. Call **13 11 84** if you want to speak to one of our qualified financial advisers¹ who can give you simple advice about your Sunsuper account at no additional cost, quickly over the phone. For more comprehensive advice, we may refer you to an accredited external financial adviser.² Advice of this nature may incur a fee.

¹ Sunsuper employees provide advice as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), wholly owned by the Sunsuper Superannuation Fund.

² Sunsuper has established a panel of accredited external financial advisers who are not employees of Sunsuper. Sunsuper 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 your investment horizon, your investment earnings and your risk tolerance.

1 Your investment horizon

Your time horizon, or the length of time before you plan to use your super, plays a large role in determining how you invest. The longer you have, the more aggressively you can invest, since falls in the market in the short term are less important than maximising your returns over the long term. If you are eligible, and need to access some of your super in the short term, you may want to choose more conservative investments for a portion of your super to protect yourself from the risk of negative short-term returns.

What is your investment time horizon?

Not everyone will access super in the same way at retirement:

- Many will keep their money invested during retirement and gradually withdraw their savings as a way of producing income in retirement.
- Others will take a lump sum to meet immediate financial needs, and use the remainder to produce an ongoing income in retirement.

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

If you plan to use some, or all, of your super to draw an income in retirement, it's likely your time horizon will extend well beyond your actual retirement date.

Your time horizon is therefore not just how long you have until you retire, but could also include how long you expect to draw an income from your super in retirement. The number of years may depend on your life expectancy and the amount you have to invest. If you plan to use your super to draw an income, you can find out your estimated time horizon from the table below:

Age	Estimated investment time horizon ¹	
	Male	Female
20	61 years	65 years
25	56 years	60 years
30	51 years	55 years
35	46 years	50 years
40	42 years	45 years
45	37 years	40 years
50	32 years	36 years
55	28 years	31 years
60	23 years	26 years

¹ The estimated investment time horizon is based on male and female life expectancies from the Australian Life Tables 2010-12. 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, shares and property type assets have provided higher returns over the long term than cash and fixed interest type assets. If your goals are within reach, however, it may not be necessary to take on higher risk.

3 Your risk tolerance

Your risk tolerance is the level of risk you are comfortable to take with your investments. A large influence on your risk tolerance is what you want to use your money for and how certain you want to be that this purpose can be met. Sometimes fear and uncertainty can tempt you to sell an asset if its price has fallen. Alternatively, those who have invested conservatively may regret not being more aggressive with their choice. Thinking ahead about how you are intending to use your money and how you may feel in relation to the performance of your investments in different circumstances can help you find your risk tolerance and to focus on your long-term goals.

Reaching your goals in action¹

Example 1: Daniel is 35 and whilst it might be a long time away, he's planning to retire when he reaches 60. This means he has another 25 years to build his super. Daniel plans to draw on his super as his main source of income when he retires. He's hoping to live to at least age 80, which means he needs his super to pay an income stream for at least another 20 years after he retires. Daniel's investment time horizon is therefore 45 years (i.e. $60 - 35 + 20 = 45$) and he can accept short-term fluctuations in his investment. With such a long time horizon a growth option is likely to be the most suitable for Daniel.

Example 2: Joan is 65 and retired. She is receiving regular payments from her *Retirement income account* as her main source of income. She's hoping to live to at least age 85, which means she needs her super to last for at least another 20 years. Joan's investment time horizon is therefore 20 years (i.e. $85 - 65 = 20$) and she can accept moderate short-term fluctuations in her investment. With Joan's time horizon, the Retirement investment option is likely to be the most suitable.

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.

Investor needs quiz

This short quiz will help to find out what sort of investor you may be and which investment option(s) may suit your investor needs. Select the answer that most closely fits your personal views and circumstances.

Your answers will correspond to one of four investor needs categories which provide a guide as to which investment option(s) you might select.

The investor needs quiz is...

a guide to help you decide how you feel about risk and return, how you may like to consider your goals and how that will influence how you invest your super.

The investor needs quiz is not...

a substitute for professional advice. It is a guide only and does not take into consideration your individual objectives, financial circumstances or needs. You should assess your own financial situation, taking into account your existing investments, commitments, investor needs and time horizon before making your investment decisions. A financial adviser can assess your particular needs, help you define your goals and help you select an appropriate investment strategy. They can also help you manage your selected investments over time.

Making the most of your super

The investment option you choose to invest your super in can make a huge difference to the amount of money you have in retirement. Even 1% extra return each year over 35 years could increase your retirement benefit by over 20%.

So take some time to think about how you want your super invested – so you can have the lifestyle you want in retirement.

Everyone's situation is different and you may need some advice. Refer to *Speak to a financial adviser*.

Investor needs score categories are examples only of your possible investor needs. There are many factors that impact on your personal circumstances that you should consider before making your investment decision. You need to be sure that your needs (as indicated by the quiz) match your views.

If, after taking into account your individual circumstances, you are not comfortable that the category matches your views, you should seek further information or obtain advice from a qualified financial adviser. We offer you the flexibility to invest in more than one investment option (maximum 10) because, depending on your personal circumstances and retirement goals, you may fit more than one category. It's up to you.

What's your score?

Your age is...	Score
More than 65.	1
50 to 65.	3
Less than 50.	5
You expect to retire in...	
Already retired or less than 5 years.	1
5 to 10 years.	3
More than 10 years.	5
After retirement (or from today if you are already retired), you expect to use all your super in...	
Less than 5 years.	1
5 to 10 years.	3
More than 10 years.	5
You feel most comfortable with...	
A safe investment even if it means modest growth.	2
An investment that could have some short-term fluctuations but long-term growth well ahead of inflation.	6
An investment that could have large short-term fluctuations but long-term growth significantly ahead of inflation.	9
What would your reaction be if your super dropped in value from \$50,000 to \$45,000?	
Security of your super is important and you would move into a more stable investment option.	2
You would be concerned but you would remind yourself that your super is expected to grow over the long term.	6
You would not be too concerned as you expect your super to grow over the long term and you might consider adding more money to your super while prices are low.	9
Total	

Add up the numbers you have circled. Find your score in the cards on the right and read the description.

Investor needs score

7-18 Likely to have conservative investor needs.

Your goal is likely to be focused on the security of your investment. You are prepared to give up the potential for higher returns over the long term, for the comfort of less volatility.

See the Conservative investment option panel in *Diversified options*.

19-22 Likely to have moderate investor needs.

Your goal is likely to be focused on generating wealth over the medium to long term, while maintaining some protection from the fluctuation of returns in the short term.

See the Retirement investment option panel in *Diversified options*.

23-26 Likely to have balanced investor needs.

Your goal is likely to be focused on producing returns which are well ahead of inflation over the long term. You understand that this may mean that the value of your investment may fall in the short term.

See the Balanced investment option panel in *Diversified options*.

27-33 Likely to have growth investor needs.

Your goal is likely to be focused on producing returns which are significantly ahead of inflation over the long term. You understand that this may mean that the value of your investment may have large falls in the short term.

See the Growth investment option panel in *Diversified options*.

Your investor needs may change over time.

Many people find that their investor needs change over time as their super balance grows and they get closer to retirement. Sunsuper's Lifecycle Investment Strategy is designed to cater for diminishing risk tolerance as your investment horizon decreases.

See *About the Lifecycle Investment Strategy* for information on the Lifecycle Investment Strategy.

2. Keeping on top of your investment

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

1 Keep up-to-date

Although the information in this *guide* is current as at the date of preparation, things may change over time. It is important to keep this in mind when adding to your super or retirement savings in the future, because at that time you may not have:

- the most recent *Sunsuper for life Investment guide*, or
- been notified about any material adverse changes or significant events that adversely affect information in the *Sunsuper for life Investment guide* immediately before the change or event occurs.

To keep you informed, SunsUPER will let you know as soon as possible if there are any material adverse changes or significant events affecting your membership of SunsUPER.

Any updated information can be found on our website¹ at sunsuper.com.au/pds

¹ *Sunsuper for life Business* and *Sunsuper for life Corporate* members should check their microsites.

2 Understand investment performance

We provide performance information to you as a guide, but it is important to remember that your super might be invested for a very long time, and that short-term fluctuations, even over a year or two, will tend to become less significant over a 10 or 20-year period. Investment returns for SunsUPER investment options are quoted after the deduction of investment fees, investment costs and investment taxes (where applicable) on investment earnings, but before Administration fees. Past performance is not a reliable indication of future performance. The value of an investment may rise or fall with changes in the market. For the latest investment performance figures for each option, visit sunsuper.com.au/performance or contact us.

3 Stay on track

At times when your investments are performing poorly, you may be tempted to chase higher returns for your super or look for safety by changing to an option that has been doing better.

Keep in mind that short-term results can be misleading. For example, growth assets can show either very high or very low returns over a relatively short period of time. But there is no way to predict for certain what will happen next, so chasing short-term gains may prove to be counterproductive in the long term.

If you change investment options, you may unwittingly take on more risk than you are comfortable with, you may invest too conservatively or you may lock-in a short-term loss. It's important to remember that your original investment choice may have been selected to meet 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 four steps:

1. Read your *Annual statement* and find out what's been happening with your super during the previous financial year. You can check your super more regularly within *Member Online* (log into *Member Online* at sunsuper.com.au/memberonline) or the SunsUPER app (for instructions visit sunsuper.com.au/app).
2. Check that your asset allocation is still right for your circumstances. As your savings grow, or if you decide to open an *Income account* when you transition to retirement or retire, you may want to alter your investments to reflect your changing needs.
3. Read any investment commentary to see how economic events are affecting your investments. Refer to our *Investment reports* at sunsuper.com.au/investment-reports
4. Take the time to learn more about investments at sunsuper.com.au/investments

Dream, plan and achieve with the SunTracker program

The *SunTracker* program will help you picture your dream retirement lifestyle, develop a plan for growing your super and give you the confidence to get on track for the future. As part of the program, we'll talk to you about where you want to be and whether you are on track to get there. If there are things you can do now to get ready, we'll give you some recommendations and show what will happen if you take them on board. And don't worry, you won't need to understand complicated numbers or come up with the dollar amount you'll need when you stop working. Our financial plans are short, simple to follow and easy to action. And we'll keep in touch with you via updates on what's happening in the markets, SunsUPER's performance and other news.

Get started today – It's simple!

To find out more about the *SunTracker* program call us on **13 11 84** if you want to speak to one of our qualified financial advisers¹ who can give you simple advice about your SunsUPER account at no additional cost quickly over the phone.

For more comprehensive advice, we may refer you to an accredited external financial adviser.² Advice of this nature may incur a fee.

¹ SunsUPER employees provide advice as representatives of SunsUPER Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), wholly owned by the SunsUPER Superannuation Fund.

² SunsUPER has established a panel of accredited external financial advisers who are not employees of SunsUPER. SunsUPER 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.

3. Our full range of investment options

Sunsuper offers 20 investment options designed to cater for a wide range of investor needs.

Once you have made your investment choice, you can change your investments via *Member Online* or the SunsUPER app, for more information refer to sunsuper.com.au/online-access

Sunsuper has carefully considered the main purposes members have for their superannuation and retirement savings and offers options to match them. We have listed our investment options below, which include:

- The Lifecycle Investment Strategy (*Super-savings accounts* only),
- Diversified (multi-asset) and single asset class options,
- Actively managed and index options, and
- Hedged and unhedged options.

	Actively managed	Index (passively managed)
Multi-asset	Diversified	
	Lifecycle Investment Strategy (<i>Super-savings account</i> only)	Balanced - Index
	Growth	
	Balanced	
	Socially Conscious Balanced	
	Diversified Alternatives	
	Retirement	
	Conservative	
Single Asset	Shares	
	Shares	Australian Shares - Index
	Australian Shares	International Shares - Index (hedged)
		International Shares - Index (unhedged)
		Emerging Markets Shares
	Property	
	Property	Australian Property - Index
	Fixed Interest and Cash	
	Diversified Bonds	Diversified Bonds - Index
	Cash	
	Capital Guaranteed	

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

If you open a *Super-savings account* and don't make an investment choice, it will be invested in the Lifecycle Investment Strategy, which gradually reduces your investment risk as you get closer to retirement age. If you open an *Income account* and don't make an investment choice, it will be invested in the Retirement investment option.

Risks of SunsUPER's investment options

Sunsuper uses the Standard Risk Measure to describe the risk that applies to each of our investment options. The Standard Risk Measure is based on industry guidance to allow members 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 expected number of years of negative returns over any 20-year period, as outlined in the following table.

For an in-depth look at SunsUPER's investment options, including performance commentary, returns, holdings, investment managers, geographic allocations and currency exposure, visit sunsuper.com.au/investment-reports for copies of our *Investment report*.

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 is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

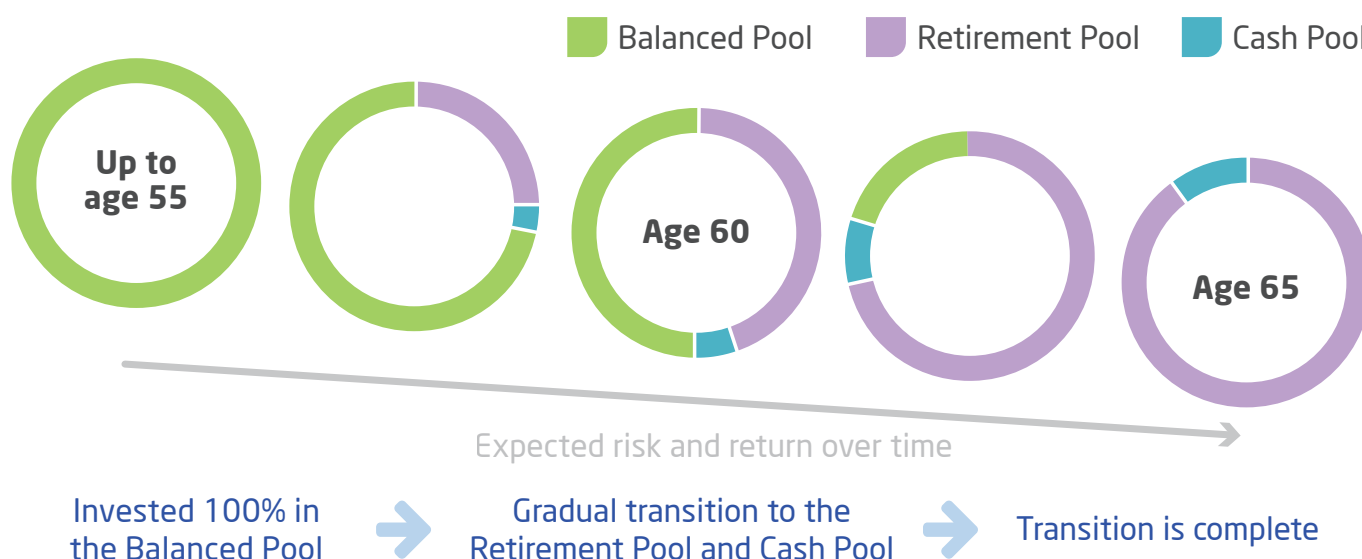
Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).

For more information on the risk assessment methodology employed by SunsUPER, visit sunsuper.com.au/standardriskmeasure

About the Lifecycle Investment Strategy

Description

The Lifecycle Investment Strategy is designed for members who want to generate wealth over the long term, and gradually transition to lower-risk investments as they approach age 65. An example of how it works is shown below.* The Lifecycle Investment Strategy is not available in *Income accounts*.



* Indicative transition concept

See *Details of the investment pools* for more information.

The Lifecycle Investment Strategy is designed so that 100% of your balance is invested in the Balanced Pool until age 55. This allows you to benefit from investments in growth assets, like shares, when most people have plenty of time left until they need to use their super to live on.

Once you turn age 55, your balance will begin to transition to the Retirement Pool and Cash Pool, as shown above. By your 65th birthday, most of your balance will be invested in the Retirement Pool, which still invests in some growth assets but has 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 will start once you have turned 55, and happens in two ways:

1. Generally each month, on or around your "day of birth" (i.e. if you are born on the 10th of May, your day of birth is the 10th), a portion of your account balance is transferred out of the Balanced Pool. 90% of the monthly portion transferred goes into the Retirement Pool, and 10% into the Cash Pool.
2. Your future contributions, including any rollovers from other super funds, will be allocated across the three investment pools, with an increasing proportion going to the Retirement Pool and Cash Pool as you get older.

Details of the investment pools

	Balanced Pool			Retirement Pool			Cash Pool	
Description	Invests in a wide variety of asset classes 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 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.	
Objectives ^{1,2}	Minimum suggested timeframe: 5 years.							
	Beat inflation by 3.5% p.a. over 10-year periods (after investment fees and costs and investment taxes).			Beat inflation by 2.75% p.a. over 10-year periods (after investment fees and costs and investment taxes).			Match or exceed the Bloomberg AusBond Bank Bill Index (before investment tax but after investment fees and costs).	
Risks ¹	Standard Risk Measure 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.			Standard Risk Measure Expected number of years of negative returns over any 20-year period: 2 to less than 3. Risk label: Medium. Risk band: 4.			Standard Risk Measure 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		Strategic %	Allowable range %		Strategic %	Allowable range %		Strategic %
	Australian shares	26.3	0-50	Australian shares	19	0-50	Cash	100
	International shares	24.5	0-70	International shares	13.8	0-55		
	Private capital	7	0-15	Private capital	6	0-15		
	Property	11	0-30	Property	10	0-30		
	Diversified strategies	4	0-15	Diversified strategies	4	0-15		
	Infrastructure	8	0-20	Infrastructure	7	0-20		
	Fixed Interest	9.7	0-30	Fixed interest	20.7	0-50		
	Hedge funds and Alternative strategies	6	0-25	Hedge funds and Alternative strategies	8	0-15		
Cash	3.5	0-25	Cash	11.5	0-25			
Returns ^{4,5}	Super-savings account returns to 31 March 2019 (% p.a.)			Super-savings account returns to 31 March 2019 (% p.a.)			Super-savings account returns to 31 March 2019 (% p.a.)	
	1 Year	8.09		1 Year	6.82		1 Year	1.86
	5 Years	8.48		5 Years	6.60		5 Years	1.84
	10 Years	9.08		10 Years	7.04		10 Years	2.64

¹ When reading the objectives and/or risks you should also read the important information about *Risks of Sunsuper's investment options and Important information about expected returns* in this guide. ² The objectives above are set by Sunsuper 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 Refer to *Asset classes and How does Sunsuper use derivatives?* in this guide, for more information on asset classes and how we use derivatives to rebalance them. ⁴ You can monitor the latest investment performance by visiting [sunsuper.com.au/performance](https://www.sunsuper.com.au/performance). Returns are after investment fees and investment taxes but before Administration fees. **Past performance is not a reliable indication of future performance.** ⁵ The Balanced, Retirement and Cash Pools commenced on 4 October 2013. The three Pools have identical investments to the respective investment options being, the Balanced, Retirement and Cash investment options. To show our performance for each Pool we have shown the returns of the respective investment options (adjusted to reflect fee differences where applicable) up to 4 October 2013 with returns of each Pool from 4 October 2013. ⁶ Actual investment fees may be less than or greater than that indicated. Refer to the *Sunsuper for life guide* for information about investment fees. ⁷ The indirect cost ratio is calculated using actual costs and reasonable estimates of actual costs incurred. Refer to the *Sunsuper for life guide* for information about indirect cost ratios. ⁸ The buy-sell spreads for each investment option may vary from time to time to reflect the buy-sell spread charged by the relevant managers, refer to *What are buy-sell spreads?* in this guide for more information

Estimated investment fees⁶
 Base: 0.23% p.a.
 Performance-related: 0.04% p.a.
Indirect cost ratio⁷: 0.52% p.a.
Buy-sell spread⁸: Nil.

Diversified options

	Growth			Balanced		
Description	Designed for members who:			Designed for members who:		
	Want to generate wealth over the long term, but with less risk than an option invested solely in shares.			Want to generate wealth over the long term.		
Style	Combination of active, enhanced index and index investment management.			Combination of active, enhanced index and index investment management.		
	Minimum suggested timeframe			Minimum suggested timeframe		
Objectives ¹	7 years.			5 years.		
	Beat inflation over 10 years: <i>Super-savings account</i> and <i>Transition to retirement income account</i> by 4% p.a. and <i>Retirement income account</i> by 4.5% p.a. (after investment fees and costs and where applicable investment taxes). ²			Beat inflation over 10 years: <i>Super-savings account</i> and <i>Transition to retirement income account</i> by 3.5% p.a. and <i>Retirement income account</i> by 4% p.a. (after investment fees and costs and where applicable investment taxes). ²		
Risks ¹	Standard Risk Measure			Standard Risk Measure		
	Expected number of years of negative returns over any 20-year period: 4 to less than 6.			Expected number of years of negative returns over any 20-year period: 3 to less than 4.		
Risk label: High.	Risk band: 6.			Risk label: Medium to high.		
	Risk band: 5.			Risk band: 5.		
Asset Allocation ³			Strategic %	Allowable range %		
			Strategic %	Allowable range %		
Returns ⁴	Australian shares		34	0-50	Australian shares	
	International shares		29.5	0-70	International shares	
Returns ⁴	Private capital		11	0-20	Private capital	
	Property		8.5	0-30	Property	
Returns ⁴	Diversified strategies		4	0-15	Diversified strategies	
	Infrastructure		8.5	0-20	Infrastructure	
Returns ⁴	Fixed interest		0	0-20	Fixed interest	
	Hedge funds and Alternatives strategies		4.5	0-20	Hedge funds and Alternative strategies	
Returns ⁴	Cash		0	0-20	Cash	
Returns ⁴	Returns to 31 March 2019		Returns to 31 March 2019		Returns to 31 March 2019	
	<i>Super-savings account</i>	(% p.a.)	<i>Retirement income account</i>	(% p.a.)	<i>Super-savings account</i>	(% p.a.)
Returns ⁴	1 Year	8.81	1 Year	9.72	1 Year	8.10
	5 Years	9.24	5 Years	10.19	5 Years	8.50
Returns ⁴	10 Years	9.29	10 Years	10.47	10 Years	9.08
					10 Years	10.14
Fees	Estimated investment fees ⁵		Estimated investment fees ⁵		Estimated investment fees ⁵	
	Base: 0.24% p.a.		Base: 0.24% p.a.		Base: 0.24% p.a.	
Fees	Performance-related: 0.04% p.a.		Performance-related: 0.04% p.a.		Performance-related: 0.04% p.a.	
	Indirect cost ratio ⁶ : 0.61% p.a.		Indirect cost ratio ⁶ : 0.53% p.a.		Indirect cost ratio ⁶ : 0.53% p.a.	
Fees	Buy-sell spread ⁷ : Nil.		Buy-sell spread ⁷ : Nil.		Buy-sell spread ⁷ : Nil.	

	Balanced - Index	Socially Conscious Balanced		
Description	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.	Designed for members who: Are seeking 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 Single-manager, index investment management.	Style Responsible investment multi-manager, combination of active and index investment management.		
	Currency Combination of hedged and unhedged.	Minimum suggested timeframe 5 years.		
	Minimum suggested timeframe 5 years.	Sunsuper SRI certification Socially Conscious Balanced is a certified SRI option. For more information refer to <i>Socially responsible investments</i> in this guide.		
Objectives	Closely match the return of the performance benchmark, before investment tax ² and investment fees and costs. Performance benchmark: The strategic weighted return of the market indices for each asset class (refer to <i>Weighted benchmark</i> in this guide).	Beat inflation over 10 years: <i>Super-savings account</i> and <i>Transition to retirement income account</i> by 3.5% p.a. and <i>Retirement income account</i> by 4% p.a. (after investment fees and costs and where applicable investment taxes) ^{1,2} .		
Risks ¹	Standard Risk Measure Expected number of years of negative returns over any 20-year period: 4 to less than 6. Risk label: High. Risk band: 6.	Standard Risk Measure 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 ³				
		Strategic %	Allowable range %	
	Australian shares	28	20-40	
	International shares	42	30-50	
	Property	0	0-20	
	Fixed interest	30	20-35	
Cash	0	0-10		
Returns ⁴	Returns to 31 March 2019			
	Super-savings account	(% p.a.)	Retirement income account	(% p.a.)
	1 Year	8.06	1 Year	9.06
	5 Years	7.76	5 Years	8.74
	10 Years	9.20	10 Years	n/a
	Estimated investment fees ⁵ Base: 0.07% p.a. Performance-related: Nil. Indirect cost ratio ⁶ : 0.17% p.a. Buy-sell spread ⁷ : Nil.			
Fees	Returns to 31 March 2019			
	Super-savings account	(% p.a.)	Retirement income account	(% p.a.)
	1 Year	7.33	1 Year	8.16
	5 Years	6.42	5 Years	7.28
	10 Years	8.33	10 Years	n/a
	Estimated investment fees ⁵ Base: 0.29% p.a. Performance-related: 0.03% p.a. Indirect cost ratio ⁶ : 0.93% p.a. The indirect cost ratio shown above is calculated using actual costs and reasonable estimates of costs incurred in 2018-19. As a result of changes to this investment option, we estimate that the indirect cost ratio for 2019-20 will be 0.48% p.a. Buy-sell spread ⁷ : Nil.			

	Diversified Alternatives			Retirement				
Description	Designed for members who: Want to generate wealth over the medium to long term, but with reduced fluctuations in returns. This option provides greater exposure to unlisted investments and trading strategies.			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.				
	Important information In some unfavourable market conditions, we reserve the right to restrict investment switches and benefit payments.			Style Combination of active, enhanced index and index investment management.				
	Style Fully active investment management.			Minimum suggested timeframe 5 years.				
	Minimum suggested timeframe 7 years.							
Objectives ¹	Beat inflation over 10 years: <i>Super-savings account</i> and <i>Transition to retirement income account</i> by 4.5% p.a. and <i>Retirement income account</i> by 5% p.a. (after investment fees and costs and where applicable investment taxes). ²			Beat inflation over 10 years: <i>Super-savings account</i> and <i>Transition to retirement income account</i> by 2.75% p.a. and <i>Retirement income account</i> by 3.25% p.a. (after investment fees and costs and where applicable investment taxes). ²				
Risks ¹	Standard Risk Measure Expected number of years of negative returns over any 20-year period: 2 to less than 3. Risk label: Medium. Risk band: 4.			Standard Risk Measure 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 ³		Strategic %	Allowable range %		Strategic %	Allowable range %		
	Private capital	35	20-45	Australian shares	19	0-50		
	Infrastructure	35	20-45	International shares	13.8	0-55		
	Hedge funds and Alternatives strategies	25	20-45	Private capital	6	0-15		
	Cash	5	0-10	Property	10	0-30		
				Diversified strategies	4	0-15		
Returns ⁴	Returns to 31 March 2019			Returns to 31 March 2019				
	<i>Super-savings account</i>	(% p.a.)	<i>Retirement income account</i>	(% p.a.)	<i>Super-savings account</i>	(% p.a.)	<i>Retirement income account</i>	(% p.a.)
	1 Year	8.52	1 Year	9.57	1 Year	6.85	1 Year	7.74
	5 Years	n/a	5 Years	n/a	5 Years	6.68	5 Years	7.59
	10 Years	n/a	10 Years	n/a	10 Years	7.10	10 Years	8.18
Fees	Estimated investment fees⁵ Base: 0.25% p.a. Performance-related: 0.02% p.a. Indirect cost ratio⁶: 1.61% p.a. Buy-sell spread⁷: Nil.			Estimated investment fees⁵ Base: 0.23% p.a. Performance-related: 0.03% p.a. Indirect cost ratio⁶: 0.47% p.a. Buy-sell spread⁷: Nil.				

Conservative				
Description	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			
	Combination of active, enhanced index and index investment management.			
Objectives	Minimum suggested timeframe			
	3 years.			
Risks ¹	Returns (after investment fees and costs and where applicable investment taxes) ² of 1% p.a. above the Bloomberg AusBond Bank Bill Index after investment tax (where applicable) over 3-year period.			
	Standard Risk Measure			
	Expected number of years of negative returns over any 20-year period: 0.5 to less than 1.			
	Risk label: Low.			
Asset Allocation ³	Risk band: 2.			
		Strategic %	Allowable range %	
	Australian shares	9.3	0-30	
	International shares	5.5	0-30	
	Private capital	5	0-10	
	Property	9	0-20	
	Diversified strategies	4	0-15	
	Infrastructure	6	0-20	
	Fixed interest	29.7	0-70	
	Hedge funds and Alternatives strategies	8	0-15	
Cash	23.5	0-100		
Returns ⁴	Returns to 31 March 2019			
	Super-savings account	(% p.a.)	Retirement income account	(% p.a.)
	1 Year	5.48	1 Year	6.23
	5 Years	5.53	5 Years	6.26
	10 Years	6.43	10 Years	7.39
	Estimated investment fees⁵			
Fees	Base: 0.23% p.a.			
	Performance-related: 0.02% p.a.			
	Indirect cost ratio⁶: 0.37% p.a.			
	Buy-sell spread⁷: Nil.			

Single asset class options

	Shares				Australian Shares			
Description	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.				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 the standard market index for this sector.			
	Style Multi-manager, combination of active, enhanced index and index investment management.				Style Multi-manager, combination of active and enhanced index investment management.			
	Currency Combination of hedged and unhedged.				Minimum suggested timeframe 7 years.			
	Minimum suggested timeframe 7 years.							
Objectives	Beat the performance benchmark by 0.25% p.a. before investment taxes ² but after investment fees and costs, over rolling 5-year periods.				Beat the performance benchmark by 0.25% p.a. before investment tax ² but after investment fees and costs over rolling 5-year periods.			
	Performance benchmark: 50% S&P/ASX 300 Accumulation Index and 25% MSCI ACWI ex Australia IMI Index in \$A and 25% MSCI ACWI ex Australia IMI index hedged to \$A.				Performance benchmark: S&P/ASX 300 Accumulation Index.			
Risks ¹	Standard Risk Measure Expected number of years of negative returns over any 20-year period: 4 to less than 6.				Standard Risk Measure Expected number of years of negative returns over any 20-year period: 6 or greater.			
	Risk label: High. Risk band: 6.				Risk label: Very high. Risk band: 7.			
Asset Allocation ³			Strategic %	Allowable range %			Strategic %	
	Australian shares		50	40-60	Australian shares		100	
	International shares		50	40-60				
Returns ⁴	Returns to 31 March 2019				Returns to 31 March 2019			
	Super-savings account	(% p.a.)	Retirement income account	(% p.a.)	Super-savings account	(% p.a.)	Retirement income account	(% p.a.)
	1 Year	9.19	1 Year	9.90	1 Year	10.05	1 Year	11.04
	5 Years	8.79	5 Years	9.50	5 Years	7.71	5 Years	8.53
	10 Years	10.39	10 Years	n/a	10 Years	10.20	10 Years	11.32
Fees	Estimated investment fees⁵ Base: 0.23% p.a. Performance-related: 0.05% p.a.				Estimated investment fees⁵ Base: 0.26% p.a. Performance-related: 0.12% p.a.			
	Indirect cost ratio⁶: 0.09% p.a.				Indirect cost ratio⁶: 0.21% p.a.			
	Buy-sell spread⁷: Nil.				Buy-sell spread⁷: Nil.			

Australian Shares - Index					International Shares - Index (hedged)				
Description	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 the standard market index for this sector. Style Single-manager, index investment management. Minimum suggested timeframe 7 years.				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 the standard market index for this sector. Style Single-manager, index investment management. Currency Hedged. Minimum suggested timeframe 7 years.				
	Objectives Closely match the return of the performance benchmark, before investment tax ² and investment fees and costs. Performance benchmark: S&P/ASX 300 Accumulation Index.				Objectives Closely match the performance benchmark, before investment tax ² and investment fees and costs. Performance benchmark: MSCI World ex-Australia Investable Market Index (IMI) in \$A (hedged).				
Risks ¹	Standard Risk Measure Expected number of years of negative returns over any 20-year period: 6 or greater. Risk label: Very high. Risk band: 7.				Standard Risk Measure Expected number of years of negative returns over any 20-year period: 6 or greater. Risk label: Very high. Risk band: 7.				
Asset Allocation ³			Strategic %				Strategic %		
	Australian shares		100		International shares		100		
Returns ⁴	Returns to 31 March 2019				Returns to 31 March 2019				
	<i>Super-savings account</i>	(% p.a.)	<i>Retirement income account</i>	(% p.a.)	<i>Super-savings account</i>	(% p.a.)	<i>Retirement income account</i>	(% p.a.)	
	1 Year	12.33	1 Year	13.76	1 Year	5.74	1 Year	5.99	
	5 Years	7.77	5 Years	9.01	5 Years	8.99	5 Years	9.90	
	10 Years	10.36	10 Years	11.30	10 Years	13.16	10 Years	14.85	
Fees	Estimated investment fees⁵ Base: 0.09% p.a. Performance-related: Nil. Indirect cost ratio⁶: Nil. Buy-sell spread⁷: Nil.				Estimated investment fees⁵ Base: 0.09% p.a. Performance-related: Nil. Indirect cost ratio⁶: 0.02% p.a. Buy-sell spread⁷: Nil.				

	International Shares - Index (unhedged)				Emerging Markets Shares			
Description	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 the standard market index for this sector.				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 the standard market index for this sector.			
	Style Single-manager, index investment management.				Style Single-manager, index investment management.			
	Currency Unhedged.				Currency Unhedged.			
	Minimum suggested timeframe 7 years.				Minimum suggested timeframe 7 years.			
Objectives	Closely match the performance benchmark, before investment tax ² and investment fees and costs.				Closely match the return of the performance benchmark before investment tax ² and investment fees and costs.			
	Performance benchmark: MSCI World ex-Australia Investable Market Index (IMI) in \$A (unhedged).				Performance benchmark: MSCI Emerging Markets Investable Market Index (IMI) in \$A (unhedged).			
Risks ¹	Standard Risk Measure				Standard Risk Measure			
	Expected number of years of negative returns over any 20-year period: 4 to less than 6.				Expected number of years of negative returns over any 20-year period: 6 or greater.			
	Risk label: High.				Risk label: Very high.			
Asset Allocation ³	Risk band: 6.				Risk band: 7.			
Returns ⁴	Returns to 31 March 2019				Returns to 31 March 2019			
	Super-savings account	(% p.a.)	Retirement income account	(% p.a.)	Super-savings account	(% p.a.)	Retirement income account	(% p.a.)
	1 Year	11.11	1 Year	11.88	1 Year	-0.69	1 Year	-0.55
	5 Years	12.35	5 Years	13.18	5 Years	6.88	5 Years	7.56
	10 Years	11.59	10 Years	n/a	10 Years	6.84	10 Years	n/a
Fees	Estimated investment fees⁵				Estimated investment fees⁵			
	Base: 0.09% p.a.				Base: 0.11% p.a.			
	Performance-related: Nil.				Performance-related: Nil.			
	Indirect cost ratio⁶: 0.01% p.a.				Indirect cost ratio⁶: 0.06%			
	Buy-sell spread⁷: Nil.				Buy-sell spread⁷: Nil.			

	Property	Australian Property - Index																																
Description	<p>Designed for members who:</p> <p>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 the standard market index for this sector.</p> <p>Style</p> <p>Multi-manager, combination of active and index investment management.</p> <p>Currency</p> <p>Hedged.</p> <p>Minimum suggested timeframe</p> <p>7 years.</p>	<p>Designed for members who:</p> <p>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 the standard market index for this sector.</p> <p>Style</p> <p>Single-manager, index investment management.</p> <p>Minimum suggested timeframe</p> <p>7 years.</p>																																
Objectives	<p>Beat the performance benchmark before investment tax,² but after investment fees and costs over rolling 5-year periods.</p> <p>Performance benchmark: 25% FTSE EPRA/NAREIT Global REIT A\$ (A\$ hedged), 45% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index, 18.75% NCREIF Open End Diversified Core Equity Index (A\$ hedged) and 11.25% MSCI Pan-European Quarterly Property Fund Index.</p>	<p>Closely match the return of the performance benchmark, before investment tax² and investment fees and costs.</p> <p>Performance benchmark: S&P/ASX 300 A-REIT Accumulation Index.</p>																																
Risks ¹	<p>Standard Risk Measure</p> <p>Expected number of years of negative returns over any 20-year period: 3 to less than 4.</p> <p>Risk label: Medium to high.</p> <p>Risk band: 5.</p>	<p>Standard Risk Measure</p> <p>Expected number of years of negative returns over any 20-year period: 6 or greater.</p> <p>Risk label: Very high.</p> <p>Risk band: 7.</p>																																
Asset Allocation ³	<table><tr><td></td><td>Strategic %</td></tr><tr><td>Property</td><td>100</td></tr></table>		Strategic %	Property	100	<table><tr><td></td><td>Strategic %</td></tr><tr><td>Property</td><td>100</td></tr></table>		Strategic %	Property	100																								
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Returns ⁴	<p>Returns to 31 March 2019</p> <table><tr><th>Super-savings account</th><th>(% p.a.)</th><th>Retirement income account</th><th>(% p.a.)</th></tr><tr><td>1 Year</td><td>10.02</td><td>1 Year</td><td>11.39</td></tr><tr><td>5 Years</td><td>9.34</td><td>5 Years</td><td>10.21</td></tr><tr><td>10 Years</td><td>10.37</td><td>10 Years</td><td>11.12</td></tr></table>	Super-savings account	(% p.a.)	Retirement income account	(% p.a.)	1 Year	10.02	1 Year	11.39	5 Years	9.34	5 Years	10.21	10 Years	10.37	10 Years	11.12	<p>Returns to 31 March 2019</p> <table><tr><th>Super-savings account</th><th>(% p.a.)</th><th>Retirement income account</th><th>(% p.a.)</th></tr><tr><td>1 Year</td><td>23.26</td><td>1 Year</td><td>25.84</td></tr><tr><td>5 Years</td><td>13.43</td><td>5 Years</td><td>14.93</td></tr><tr><td>10 Years</td><td>13.77</td><td>10 Years</td><td>15.01</td></tr></table>	Super-savings account	(% p.a.)	Retirement income account	(% p.a.)	1 Year	23.26	1 Year	25.84	5 Years	13.43	5 Years	14.93	10 Years	13.77	10 Years	15.01
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10 Years	13.77	10 Years	15.01																															
Fees	<p>Estimated investment fees⁵</p> <p>Base: 0.18% p.a.</p> <p>Performance-related: Nil.</p> <p>Indirect cost ratio⁶: 0.80% p.a.</p> <p>Buy-sell spread⁷: Nil.</p>	<p>Estimated investment fees⁵</p> <p>Base: 0.07% p.a.</p> <p>Performance-related: Nil.</p> <p>Indirect cost ratio⁶: 0.05% p.a.</p> <p>Buy-sell spread⁷: Nil.</p>																																

Diversified Bonds					Diversified Bonds - Index				
Description	Designed for members who: Are seeking to earn returns from investment in the fixed interest asset class with active management aiming to achieve better long-term returns than available in the standard market index for this sector.				Designed for members who: Are seeking to earn returns from investment in the fixed interest asset class with passive management aiming to achieve long-term returns that are close to the returns of the standard market index for this sector.				
	Style Multi-manager, combination of active, enhanced index and index investment management.				Style Single-manager, index investment management.				
	Currency Hedged.				Currency Hedged.				
	Minimum suggested timeframe 3 years.				Minimum suggested timeframe 3 years.				
Objectives	Beat the performance benchmark by 0.5% p.a. before investment tax ² but after investment fees and costs over rolling 3-year periods.				Closely match the return of the performance benchmark, before investment tax ² and investment fees and costs.				
	Performance benchmark: 50% FTSE World Broad Investment Grade Index hedged in \$A and 50% Bloomberg AusBond Composite 0+Yr Index				Performance benchmark: 50% Bloomberg AusBond Composite 0 + Yr Index and 50% Bloomberg Barclays Global Aggregate Index, hedged to \$A.				
Risks ¹	Standard Risk Measure Expected number of years of negative returns over any 20-year period: 1 to less than 2.				Standard Risk Measure Expected number of years of negative returns over any 20-year period: 2 to less than 3.				
	Risk label: Low to Medium.				Risk label: Medium.				
	Risk band: 3.				Risk band: 4.				
Asset Allocation ³		Strategic %	Allowable range %			Strategic %			
	Fixed interest	100	0-100		Fixed interest	100			
	Cash	0	0-25						
Returns ⁴	Returns to 31 March 2019				Returns to 31 March 2019				
	Super-savings account	(% p.a.)	Retirement income account	(% p.a.)	Super-savings account	(% p.a.)	Retirement income account	(% p.a.)	
	1 Year	4.00	1 Year	4.42	1 Year	4.89	1 Year	5.79	
	5 Years	3.60	5 Years	4.10	5 Years	4.43	5 Years	5.19	
	10 Years	6.51	10 Years	n/a	10 Years	5.37	10 Years	6.08	
Fees	Estimated investment fees⁵ Base: 0.32% p.a. Performance-related: 0.03% p.a. Indirect cost ratio⁶: 0.06% p.a. Buy-sell spread⁷: Nil.				Estimated investment fees⁵ Base: 0.07% p.a. Performance-related: Nil. Indirect cost ratio⁶: 0.11% p.a. Buy-sell spread⁷: Nil.				

	Cash	Capital Guaranteed																																
Description	<p>Designed for members who:</p> <p>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.</p> <p>Style</p> <p>Multi-manager, active and enhanced index investment management.</p> <p>Minimum suggested timeframe</p> <p>1 year.</p>	<p>Designed for members who:</p> <p>Are seeking to accumulate a lump sum or derive income over time with the benefit of guarantees from banks and insurance companies that the value of their investment will not decline.</p> <p>This option is designed to provide full security of capital, and modest returns over the medium to long term.</p> <p>Additional information</p> <p>In some unfavourable market conditions, we reserve the right to restrict investment option changes and benefit payments from the Capital Guaranteed option. Additional information about capital guarantees are provided in <i>Is your investment guaranteed?</i> in this <i>guide</i>.</p> <p>Style</p> <p>Multi-manager, active investment management.</p> <p>Minimum suggested timeframe</p> <p>3 years.</p>																																
Objectives	<p>Match or exceed the returns of the performance benchmark, before investment tax² but after investment fees and costs.</p> <p>Performance benchmark: Bloomberg AusBond Bank Bill Index.</p>	<p>Beat the performance benchmark after investment tax (where applicable)² and investment fees and costs over rolling 3-year periods.</p> <p>Performance benchmark: Bloomberg AusBond Bank Bill Index after investment tax (where applicable).²</p>																																
Risks ¹	<p>Standard Risk Measure</p> <p>Expected number of years of negative returns over any 20-year period: Less than 0.5.</p> <p>Risk label: Very low.</p> <p>Risk band: 1.</p>	<p>Standard Risk Measure</p> <p>Expected number of years of negative returns over any 20-year period: Less than 0.5.</p> <p>Risk label: Very low.</p> <p>Risk band: 1.</p>																																
Asset Allocation ³	<table><tr><td></td><td>Strategic %</td></tr><tr><td>Cash</td><td>100</td></tr></table>		Strategic %	Cash	100	<table><tr><td></td><td>Strategic %</td></tr><tr><td>Deposits with ADIs & Capital Guaranteed Investments</td><td>100</td></tr></table>		Strategic %	Deposits with ADIs & Capital Guaranteed Investments	100																								
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<i>Super-savings account</i>	(% p.a.)	<i>Retirement income account</i>	(% p.a.)																															
1 Year	2.02	1 Year	2.37																															
5 Years	2.19	5 Years	2.56																															
10 Years	3.07	10 Years	3.55																															
<i>Super-savings account</i>	(% p.a.)	<i>Retirement income account</i>	(% p.a.)																															
1 Year	3.25	1 Year	3.46																															
5 Years	3.25	5 Years	3.72																															
10 Years	3.49	10 Years	4.03																															
Fees	<p>Estimated investment fees⁵</p> <p>Base: 0.07% p.a.</p> <p>Performance-related: Nil.</p> <p>Indirect cost ratio⁶: Nil.</p> <p>Buy-sell spread⁷: Nil.</p>	<p>Estimated investment fees⁵</p> <p>Base: 0.11% p.a.</p> <p>Performance-related: Nil.</p> <p>Indirect cost ratio⁶: 0.21% p.a.</p> <p>Buy-sell spread⁷: Nil.</p>																																

¹ When reading the objectives and/or risks you should also read the important information about *Risks of Sunsuper's investment options* and *Important information about expected returns* in this guide. ² No investment tax generally applies for *Retirement income accounts*. Refer to the *Sunsuper for life guide* for information on investment tax. ³ Refer to *Asset classes* and *How does Sunsuper use derivatives* in this guide for more information on asset classes and how we use derivatives to rebalance them. ⁴ *Transition to retirement income accounts* had identical returns to *Retirement income accounts* until 30 June 2017, after which they had identical returns to *Super-savings accounts*. You can monitor the latest investment performance by visiting [sunsuper.com.au/performance](https://www.sunsuper.com.au/performance). Returns are after investment fees and investment taxes (where applicable) but before Administration fees. **Past performance is not a reliable indication of future performance.** ⁵ Actual investment fees may be less than or greater than that indicated. Refer to the *Sunsuper for life guide* for information about investment fees. ⁶ The indirect cost ratio is calculated using actual costs and reasonable estimates of actual costs incurred. Refer to the *Sunsuper for life guide* for information about indirect cost ratios. ⁷ The buy-sell spreads for each investment option may vary from time to time to reflect the buy-sell spread charged by the relevant managers, refer to *What are buy-sell spreads?* in this guide for more information.

Case studies

Below are case studies of members at different stages of their life with different retirement goals and needs. Case studies are illustrations only and may not be right for you.

Lifecycle Investment Strategy

Case study 1: Ben is 30 years of age, and has a long timeframe to invest. He leads a busy lifestyle and doesn't have the time to regularly keep tabs on his super. Ben decides to leave his investment choice to Sunsuper, and as a result is invested in the Lifecycle Investment Strategy.

Case study 2: Jane is 54 years of age, and wants to retire around age 65. She likes the idea of Sunsuper transitioning her to lower risk investments as she gets older. Jane chooses to invest in the Lifecycle Investment Strategy.

Growth

Case study 1: Melissa is 30 years of age and has a very long timeframe to invest. Melissa wants to generate wealth over the long term. Melissa chooses to invest in the Growth investment option.

Case study 2: David is 50 years of age and is thinking of retiring at around 60 years of age. He plans to use an *Income account* to provide a retirement income. He realises he still has a long timeframe to invest before and during retirement. David wants to generate wealth over the long term and is willing to accept short-term ups and downs in his returns. David chooses to invest in the Growth investment option.

Balanced

Case study 1: Craig is 40 years of age and has a long timeframe to invest. He wants to generate wealth over the long term but isn't prepared to accept higher ups and downs of returns in the Growth option. Craig is comfortable that his returns will compare well with most other people's super funds. Craig chooses to invest in the Balanced investment option.

Case study 2: Helen is 55 years of age and is thinking of retiring at around 60 years of age. She plans to use an *Income account* to provide a retirement income. She realises she still has a long timeframe to invest before and during retirement. Helen wants to generate wealth over the long term but would like to limit the short-term ups and downs in her returns. Helen chooses to invest in the Balanced investment option.

Retirement

Case study 1: Ian is 53 years of age and is preparing to retire at around age 60. He plans to use an *Income account* for his main retirement income. He wants to reduce the impact of share market falls but still provide some growth over the longer term. Ian is also considering transitioning to retirement after age 55. Ian chooses to invest in the Retirement investment option.

Case study 2: Dianne is 62 years of age and is fully retired and hopes to live for another 25 years. She plans to use an *Income account* for her main retirement income. While Dianne understands she has a long timeframe to invest, she wishes to reduce the impact of a large downturn in the share market. Dianne chooses to invest in the Retirement investment option.

Conservative

Case study 1: Alan is 62 years of age and is preparing to retire within four years. He plans to use all of his super to pay off his mortgage and buy a caravan. Alan will use the government age pension for retirement income. Alan chooses to invest in the Conservative investment option.

Case study 2: Brian is 65 years of age and is retired. Brian wants to protect a portion of his money but wants the potential for a better return than cash. Brian chooses to invest in the Conservative investment option.

4. 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 levels of returns.

Cash

When we talk about cash, we don't mean money under the mattress. We classify cash as any type of fixed interest investment that has a very short repayment period. It includes bank bills and short-term bank deposits. Cash carries the lowest level of risk of short-term loss but usually earns a lower rate of return over the long term. Over the long term, net returns from cash may not keep up with inflation.

Fixed interest

Fixed interest investments are made up of loans to borrowers such as governments, companies and other entities. The most common type of fixed interest securities traded in the markets are bonds.

Bonds offer a promise to have the money originally invested returned at a maturity date. They also offer a promise to pay periodic payments of interest. Some interest payments might be at a fixed rate or they might be directly linked to inflation or to shorter-term interest rates. Issuers of fixed interest securities are typically rated by international rating agencies to give buyers a guide as to the likelihood that a payment will not be made in a timely manner.

Like all investment assets, the value of a bond will not stay the same forever so they do carry a degree of risk. The value of a bond will vary along with many factors, including the country of issue, the issuer and market sector, credit rating, maturity date, marketability, liquidity and various risk factors relating to the payment of the future cash flows. All of these factors are reflected by the interest rate which is used to determine the bond's value. This interest rate can also be viewed as a government bond rate plus a margin for all the other factors. At times of stress, the margin will increase.

When there is greater confidence, the margin will decrease. If the interest rates used to value shorter-term securities fall, the interest rates used to value longer-dated securities will not necessarily fall also or fall to the same extent, since they are subjected to longer-term expectations and to various economic factors.

A rise in the interest rate used to value a bond will reduce its assessed value while a fall in the interest rate used to value a bond will increase its value. This can be seen by considering the case where a bond initially worth \$100 is paying \$6 every year in interest. If subsequently a new \$100 investment can be made into a bond of equal credit rating and of the same maturity that pays \$8 every year, then the bond that pays only \$6 will no longer be worth \$100 in the market, despite the fact that it will still pay \$100 at maturity. Its value will drop by the amount that makes the future \$6 payments give the same return on the new assessed value as the return from the new bond available in the market. In this way, going forward, both the old bond paying \$6 per year and the new bond paying \$8 per year give a total return from the valuation date of 8% per annum.

Currency fluctuations can have a significant effect (positive or negative) on returns from international fixed interest investments. This risk can be reduced or virtually eliminated through "hedging" the currency exposure (for more information refer to *Currency hedging*).

Returns on fixed interest assets are more volatile than cash and less volatile than equities. The valuations of longer-dated bonds vary by more than short-dated bonds.

Shares

Shares are also known as equities or stocks. Companies issue shares to raise money. In exchange the investor receives part ownership in the company and is entitled to a portion of the profits, usually paid as a dividend. As the company grows, profits are expected to grow and the value of the shareholder's investment is also expected to rise.

A company's share price fluctuates daily according to what investors collectively think the company can earn in the future compared to what other investments are expected to earn. This means that share prices can fluctuate substantially over short periods.

Historically, shares have shown the highest returns amongst all the traditional asset classes described in this *guide* over most long-term periods.

Australian shares – Australian shares are investments in companies listed on the Australian Securities Exchange (ASX). Some of these companies earn a significant portion of their profits from their international operations and currency fluctuations may have an impact, either positive or negative, on the earnings of these companies.

International shares – International shares represent ownership in companies that are listed on foreign stock exchanges. International shares comprise of developed markets and emerging markets. Developed market shares represent ownership in companies that are listed on foreign stock exchanges in countries whose economies are defined as mature or developed markets i.e. Germany, Japan or United States of America. Emerging market shares represent ownership in companies that are listed on foreign stock exchanges in countries whose economies are defined as growing or emerging markets i.e. China, India or South Korea. Each of these market segments provide a different combination of value for investors in regards to volatility and value. International shares may provide exposure to industries and companies not available for investment in Australia. Currency fluctuations can have a significant effect, either positive or negative, on returns from international share investments.

Property

Property investments are diverse and can include office buildings, industrial sites and retail shopping centres. Property provides a combination of regular income payments in the form of rent and potential increases in the value of the property.

Property can be purchased directly, or indirectly via units or shares in a pooled vehicle such as a Property Trust, which can be listed on the share market (Real Estate Investment Trust or REIT) or be an unlisted trust. Short-term changes in individual investor perceptions do not tend to influence direct property to the same degree as they influence REITs. Because REITs are traded on the share market, they are subject to movements in sentiment so their value can fluctuate significantly over the short term.

Private capital

Private capital includes (but is not limited to) investments in private equity, venture capital, special situations and distressed debt strategies. The investments are via funds or co-investments into private or unlisted companies which offer opportunities for growth via expansion or development. These companies may end up listed on the stock exchange or bought by larger companies.

Hedge funds and Alternative strategies

These are generally investments in both listed and private securities that aim to generate returns that do not follow the normal investment cycles of the traditional asset classes. Compared with traditional asset classes, investments in this asset class are often more complex, using leverage, long and short exposures, and multiple asset classes, to access diversifying sources of return.

Infrastructure

Infrastructure investments include investments in roads, bridges, airports, ports, power stations and other community projects and assets. They will generally display some or all of the following characteristics: large initial capital outlays, monopolistic qualities, regulated pricing, stable income, economic growth and/or inflation linkages long-term contracts and long investment horizon.

Diversified strategies

Diversified strategies are diversified multi-asset class investments that can incorporate investments in the full range of asset classes that Sunsuper uses. The skill utilised by the underlying manager is their ability to construct a portfolio through a robust asset allocation process that will outperform their benchmark over the business cycle.

Overall, assets such as private capital, hedge funds and infrastructure 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.

Weighted benchmark

The weighted benchmark is essentially applying the asset allocation weighting to the benchmark index or indices relevant to the underlying asset class or fund. The Balanced - Index investment option uses weighted benchmarks as listed below.

Balanced - Index

- S&P/ASX 300 Accumulation Index (Australian shares)
- MSCI World ex-Australia Index Net in \$A (International shares)
- MSCI World ex-Australia Small Cap Index Net in \$A (International shares)
- MSCI World ex-Australia Index Net Hedged to \$A (International shares)
- MSCI Emerging Markets Index Net in \$A (International shares)
- Bloomberg AusBond Composite 0+ Yr index (Cash & Fixed interest)
- Bloomberg Barclays Global Aggregate Index, hedged to \$A (Fixed interest)

Rebalancing your investment options

If you build your own strategy and select two or more investment options, you may wish to rebalance your portfolio on a periodic basis. Rebalancing simply means bringing the weighting of each investment option in your portfolio back into line with your original selection 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 have not performed as well. Although this may seem counterintuitive, remember that it can be risky to rely too heavily on any one asset class. It is possible that the asset class with the highest returns this year may drop next year.

You may need to seek financial advice to help you manage your portfolio and ensure you have the right asset allocation. If you invest in a diversified option, professional investment managers rebalance the asset class allocation within the investment option. You probably won't need to make an investment option change unless your personal circumstances or investor needs have changed.

Automatic rebalancing – *Income accounts only*

For *Income accounts*, we offer an automatic rebalancing service that reweights your investment options back into line with your original selection. Buy-sell spreads may apply. You can choose between an automatic rebalance frequency of either:

- twice yearly – we will rebalance your account on or around 31 March and 30 September (the rebalance dates) each year using the unit price for that day, or
- annually – we will rebalance your account on or around 31 March each year using the 31 March (the rebalance date) unit price.

If the rebalance date happens to fall on a non-business day, your rebalance will be processed using the unit price for the next business day. Rebalance requests received before 3pm AEST on the rebalance date, will be processed for that date. Rebalance requests received after this time will be processed for the next nominated rebalance date.

If you make an investment option change in the future you will need to renominate your choice of how often your account is to be rebalanced. You may need to seek financial advice to help you decide if automatic rebalancing is right for you. The automatic rebalancing service is not available if you are invested in the *Today and Tomorrow* strategy.

Investment information

Important information about expected returns

The return objectives shown for the Balanced Pool and Retirement Pool in the Lifecycle Investment Strategy, and the Growth, Balanced, Socially Conscious Balanced, Retirement and Diversified Alternatives investment options reflect targets that the options are designed to achieve over the stated investment horizon. Return objectives are targets, not actual returns, and are not a guarantee of future performance.

The risks of each investment option are set out using the Standard Risk Measure framework, which is based around an estimate of how many years out of 20 we expect the option to experience negative annual returns. These expectations are long-term averages and do not guarantee that negative returns will occur exactly as described. For example, for an option with one year of negative returns expected every 20 years, negative returns in a particular year do not mean that the option has a lower probability of negative returns in the following year. The expected number of years of negative annual returns over any 20-year period for all options are based on calculations performed by JANA Investment Advisers Pty Ltd ABN 97 006 717 568.

Is your investment guaranteed?

No, except for the Capital Guaranteed option, 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.

For the Capital Guaranteed option, where investments are made into capital guaranteed superannuation products issued by life insurance companies or banks, the capital guarantee is provided by the issuing life company or bank. Sunsuper itself does not guarantee the security of capital. The Capital Guaranteed option is quite different from other investment options. While the capital value is guaranteed by the issuing life insurance companies or banks not to fall, the trade-off with this guarantee is that your longer-term returns may be lower than some less conservative options. This may limit the chances of achieving your financial goals. You should consider seeking financial advice on alternative investment arrangements before investing in this option.

How does Sunsuper use derivatives?

Sunsuper's policy is to allow or instruct our investment managers to use derivatives, such as forwards, futures, options and swaps, to achieve their investment objectives. However, the managers must operate within specific investment guidelines. Derivatives are used particularly for the purpose of managing risk and rebalancing investment options to their target asset allocations using a combination of derivatives to reflect the risk characteristics of each asset class.

Investment management style

When working out which investment option is right for you it's important to consider your own needs. Sunsuper offers "ready-made" diversified options and "build-your-own" single asset class options.

Some people like to get very 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 leaving the monitoring and the asset allocation decisions to Sunsuper. The investment method that is right for you is largely determined by how actively involved you want to be, your investment expertise, and whether or not you use a financial adviser. Remember, the more you do yourself, the more time, expertise and effort you will need to ensure your portfolio stays on track.

Investment style

Sunsuper offers 20 investment options, designed to cater for a wide range of investor needs, including:

- the Lifecycle Investment Strategy (*Super-savings accounts* only),
- active and index options,
- single-manager and multi-manager options, and
- hedged and unhedged options.

Active and index investment options

Sunsuper offers investment options using:

- active management,
- index management, and
- a combination of both investment management styles.

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

Active investment options

Active management is based on the belief that the broad market can be beaten by picking higher performing securities or asset classes, despite the higher costs involved. Enhanced index management is a form of active management that is generally lower risk where managers take small, well diversified active positions relative to the benchmark. This approach has the potential to deliver returns that will beat the market but with lower fees and lower volatility.

Sunsuper employs active investment management in several of the options we offer, with a range of highly rated investment managers selected by Sunsuper and its investment consultant, JANA Investment Advisers Pty Ltd ABN 97 006 717 568, to manage the actively managed investment options.

We believe that our active managers will deliver returns higher than returns from index managers, even after active management costs are taken into account. In addition to expecting our managers to outperform their benchmarks through active management, we expect all of our managers to:

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

Sunsuper manages 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 with index management costs typically significantly lower than active management costs.

Our index investment options allow our members to access a range of low cost, single asset class options, catering for their different investor needs.

Multi-manager approach

Options may be classified as single or multi-manager. Sunsuper generally prefers to construct options using a multi-manager approach.

Multi-manager options use a combination of investment managers within the one investment option, providing diversification across investment managers and reducing the risk of exposure to any one investment manager or style.

To find out whether a particular option is currently single-manager or multi-manager, refer to the investment option panels provided in *3 Our full range of investment options*.

Each of Sunsuper's internally-managed diversified options has over 40 Australian and global investment managers, carefully selected by Sunsuper's experienced team of investment professionals, to manage the investments.

Currency hedging

The value of overseas investments can be impacted by currency fluctuations.

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

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

- fully hedged is where all of the investment is protected from the effects of currency exchange rates,
- partially hedged is where the investment is partly protected from these effects, and
- an unhedged investment is not protected from these effects.

Sunsuper has set a strategic currency exposure policy for the investment options and pools which have international exposure designed by Sunsuper. This policy may be modified in the future, with respect to the hedging of currency:

- For the options with international fixed interest investments, Sunsuper aims to fully hedge the currency exposure (that is, the impact of currency fluctuations are virtually eliminated).
- For the options with international shares investments, Sunsuper varies the strategic level of foreign currency hedging. An appropriate hedge is set for each option, taking into account its specific circumstances, asset allocation and risk and return characteristics. Active managers can also vary the level of hedging as a tactical decision to take advantage of expected currency movements.

For other investment options with international exposure, the currency hedging policy is outlined in the relevant investment panel for each option.

'Socially responsible' investments

Sunsuper believes Environmental, Social and corporate Governance (ESG) factors have the potential to financially impact our investments. We engage with our investment managers and require them to consider ESG factors, labour standards and ethical considerations and give them the flexibility to determine the extent of these considerations in their investment decisions.

Sunsuper does not directly invest in tobacco, cluster munitions or landmine manufacturers.

Sunsuper's ESG policy applies to actively managed options other than the Socially Conscious Balanced investment option.

Sunsuper also offers a Socially Responsible Investment (SRI) option, the Socially Conscious Balanced investment option.

This option seeks to invest with managers that are identified leaders in their responsible approach to environmental, social and ethical considerations, labour standards and governance.

Managers are also required to avoid companies operating within sectors with recognised high negative social impact, which means the option will avoid companies operating within sectors assessed to have a high negative social or environmental impact, including avoiding exposure to companies with material exposure to the production or manufacture of tobacco, nuclear and controversial armaments, alcohol, pornography or to the provision of gambling or live export services. A company deriving more than 5% of its total revenue from these industries constitutes material exposure. In addition, the option seeks to limit its exposure by excluding any company that has more than a 5% exposure (as measured by percentage of revenue or other appropriate financial metric) to fossil fuel explorers or miners.

Currently, the option does not take environmental, social and ethical considerations, labour standards and corporate governance factors into account in respect of listed property and cash. Where it is appropriate for the asset class, the Socially Conscious Balanced investment option will invest in a sector on an index basis if a Responsible Investment (RI) equivalent is not available.

A copy of our ESG policy is available at sunsuper.com.au/esg

SRI (Socially/Sustainable Responsible Investment) certification

Sunsuper's certified SRI option is the Socially Conscious Balanced investment option.

The Certification Symbol, a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA), signifies that a product or service offers an investment style that takes into account environmental, social governance or ethical considerations.



The Symbol also signifies that SunsUPER has adopted strict disclosure practices required under the Responsible Investment Certification Program for the category of Super Fund. For investors considering the Socially Conscious Balanced investment option, the Certification Symbol demonstrates that the Socially Conscious Balanced investment option meets RIAA's RI certification standards. Detailed information about RIAA, the Certification Symbol and the SunsUPER Superannuation Fund's methodology and performance relating to its only certified SRI option can be found at responsibleinvestment.org together with details about other responsible investment products certified by RIAA.

Note: The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that this financial product is a suitable investment or that returns are

guaranteed. RIAA is not a financial services business and does not hold an Australian Financial Services Licence.

How the Lifecycle Investment Strategy works in detail

Under the Lifecycle Investment Strategy, you'll be invested 100% in the Balanced Pool up until age 55. After you turn age 55, your account will be gradually transitioned 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*.

Why do we transition your account?

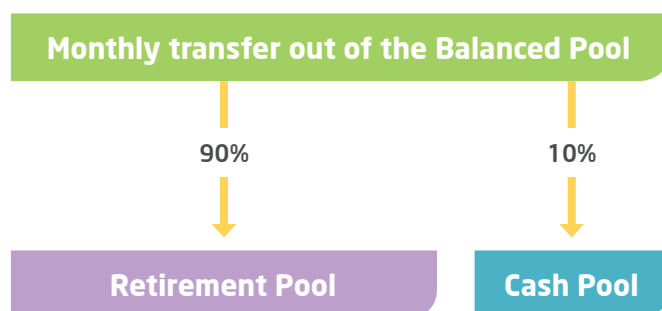
The Balanced Pool is structured to generate wealth over the long term. As you get closer to retirement, your investment needs are likely to change, which is why the Lifecycle Investment Strategy gradually changes your investment mix from age 55 by transitioning your super savings to the lower-risk Retirement Pool and Cash Pool.

How we transition your account

Generally each month, starting one month after your 55th birthday, a portion of your account balance is transferred out of the Balanced Pool. 90% of each portion transferred goes into the Retirement Pool, and 10% into the Cash Pool. The last transfer occurs on or around your 65th birthday, after which the whole amount you have in the Lifecycle Investment Strategy will be invested in the Retirement Pool and Cash Pool.

Your future contributions will be allocated to 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



Your "monthly transfer" occurs on or around your "day of birth" and is determined according to the following formula:

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

- "Day of birth" is the day of the month that you were born on. For example, if you were born on the 10th of May, your day of birth is the 10th.
- 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. for the month of 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

As well as transferring your account balance from the Balanced Pool to the Retirement Pool and Cash Pool, the Lifecycle Investment Strategy changes how money going into your account is invested.

This includes employer contributions, personal contributions, rollovers from other super funds and investment option changes. Before age 55, your contributions will be invested 100% in 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 are 59, 50% of your contributions will be allocated to 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%

Changing your investment option(s)

If you choose to change your investment option(s) and invest in the Lifecycle Investment Strategy, your account will be invested based on your age, as per the *Your future contributions* table. If you change your investment option(s) where both before and after the change a portion of your account balance is invested in the Lifecycle Investment Strategy, the amount you have invested in the Lifecycle Investment Strategy will be rebalanced as per the *Your future contributions* table. You should also refer to *Changing your investment option(s) and the Lifecycle Investment Strategy* for more information on changing your investment option(s).

What if I have a Super-savings account and a Business Super-savings account or a Corporate Super-savings account and they are combined?

If you have a *Super-savings account* and a *Business Super-savings account* or a *Corporate Super-savings account* and you subsequently leave your *Business* or *Corporate* employer, your accounts will be combined. When this occurs, we will combine the amount you have 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 correct account balance transfers and future contribution allocations will apply from the date your date of birth is updated.

Adjustments

If we need to make an adjustment to your account, we may need to make changes to your investment allocation between the pools.

Rounding

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

It's important to note that the amounts you have invested in each pool depend on account balance transfers and contributions, as well as the investment returns of each pool.

The Lifecycle Investment Strategy – an example:

Robert

Robert is 42 years old and invests in the Lifecycle Investment Strategy. He is initially invested 100% 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 12th of April, so his first transfer would occur one month after his 55th birthday, on the 12th of May. On this date, he has an account balance of \$150,000, and 119 months remain until he reaches age 65, so the portion transferred is calculated as follows:

Transfer out of the Balanced Pool:

$$= 1/(119+1) \text{ of } \$150,000$$

$$= 1/120 \times \$150,000$$

$$= \$1,250 \text{ (This leaves } \$148,750 \text{ in the Balanced Pool).}$$

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

$$= \$1,250 \times 0.9$$

$$= \$1,125 \text{ in the Retirement Pool.}$$

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

$$= \$1,250 \times 0.1$$

$$= \$125 \text{ in the Cash Pool.}$$

A transfer out will generally happen every month. Now let's fast forward nearly 10 years to Robert's 65th birthday. As a result of regular super contributions and investment returns, his account 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, so his final transfer is calculated as follows:

Transfer out of the Balanced Pool:

$$= 1/(0+1) \text{ of } \$5,000$$

$$= 1/1 \times \$5,000$$

$$= \$5,000 \text{ (This leaves } \$0 \text{ in the Balanced Pool).}$$

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

$$= \$5,000 \times 0.9$$

$$= \$4,500 \text{ (Total Retirement Pool balance = } \$360,000 \text{).}$$

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

$$= \$5,000 \times 0.1$$

$$= \$500 \text{ (Total Cash Pool balance = } \$40,000 \text{).}$$

Robert's future contributions

Robert's contributions are paid into the Lifecycle Investment Strategy, and the amount allocated to each pool depends on his age as shown in the *Your future contributions* table. The example below looks at three contributions and shows how they would be allocated. Robert receives a contribution of \$1,000 when he is 54. It is allocated as follows:

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

A year later, after he turns 55, Robert receives a contribution of \$1,000. It is allocated as follows:

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

Now let's fast forward to Robert's 65th birthday. He receives a contribution of \$1,000. It is allocated as follows:

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

5. Administering your investments

Changing your investment options(s)

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

Changing your investment option(s) for your existing account balance involves selling units in one or more investment option(s) and using the proceeds to purchase units in one or more other investment option(s). Your units are sold at the exit unit price and the new units are purchased at the entry unit price (see *What are buy-sell spreads?*). These transactions are completed on the same business day and use the unit prices for the same business day. Refer to *Changes to your Investment option(s)* for more information about the unit prices used for investment option changes.

It's important to note that when you change the investment option(s) for your existing account balance, account balances displayed on *Member Online*, the Sunsuper app or provided over the phone by Sunsuper use the most recently available unit prices, which 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* (log into *Member Online* at sunsuper.com.au/memberonline) or the Sunsuper app, (for instructions visit sunsuper.com.au/app or contact us.

Once you have made your choice, you should review your investments regularly to be sure you stay on track to reach your goals.

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

If you choose to change your investment option(s) and invest in the Lifecycle Investment Strategy, your account will be invested based on your age, as per the *Your future contributions* table.

If you change your investment option(s) where both before and after the change a portion of your account balance is invested in the Lifecycle Investment Strategy, the amount you have invested in the Lifecycle Investment Strategy will be rebalanced as per the *Your future contributions* table.

Frequent investment option changes

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

Sunsuper does not endorse frequent changes between options and is not responsible for evaluating the suitability of any changes you make.

While we do not normally limit the number of changes you can make to your investment option(s), we monitor members' accounts for frequent changing activity from time to time. We reserve the right to limit the number of changes you can make. Sunsuper is not responsible for any failure to limit the number of investment option changes you make.

When are transactions processed?

Contributions into the Fund

Contributions paid via a cheque (or similar) and received by mail or in person at our Brisbane office by 3pm AEST on a business day will be processed using the unit price for that day. Contributions received after this time will be processed using the unit price for the next business day.

Contributions requested to be direct debited through our online system by 3pm AEST on a business day will be processed using the unit price for that day. Sunsuper reserves the right to use a later unit price if the money is not received on that day. Contribution amounts received in Sunsuper's bank account on a business day via Electronic Funds Transfer (EFT) or BPAY® will be processed using the unit price for that day.

Processing timeframes at financial institutions should be allowed for in order to meet contribution obligation deadlines.

Contributions tax

Contributions tax, where applicable, is deducted from your contribution prior to the purchase of units in your selected investment option(s).

Contributions tax is held in the Fund until it is required to be remitted to the Australian Taxation Office.

Changes to your investment option(s)

Requests to change your investment option(s) for your existing account balance that are received by 3pm AEST on a business day will be processed using the unit price for that day. Requests received after this time will be processed using the unit price for the next business day.

Requests to change your investment option(s) for any new money coming into your account that are received by 3pm AEST on a business day will be processed effective that day. Requests received after this time will be processed effective the next business day.

Payments and transfers between Sunsuper accounts

Lump sum benefit payments from *Super-savings accounts*, regular income payments from *Income accounts*, and transfers between Sunsuper accounts will be processed using the last available unit price on the day we finalise the processing of your payment or transfer.

Lump sum benefit payments and any additional income payments from *Income accounts* will be processed using the unit price for the day we finalise the processing of your payment.

The processing of payments and transfers can be a lengthy process to complete, considering the level of information required and our dependency on external parties, including employers. Given the time required to process requests, and the possibility that your investment value may fluctuate during the processing period, you may choose to change your investment to a more stable investment option (e.g. Cash) before submitting your request.

Exceptions

The processing and pricing of contributions, investment option changes and benefit payments may be delayed if we do not receive all the information required to process the transaction, or if we do not receive payment for your contribution. If for any reason we cannot allocate a contribution to an account, including if we do not have all the information we need, we will return it. Only the contribution amount we received will be returned to whoever it was received from. Any interest earned on the contribution before it was returned will be held in the Fund's general reserve for the benefit of members.

We reserve the right to temporarily suspend the processing of member transactions and the calculation of unit prices if we have permission from a regulator, if we are required to by law or on the occurrence of an extraordinary event. An extraordinary event is any significant adverse event that we deem will impact some or all members and may include the suspension of normal trading on any exchange on which securities or derivatives held by an investment option are traded. To confirm any transactions involving your account, log into *Member Online* or the Sunsuper app or contact us.

We reserve the right to restrict contributions, investment option changes and payments for any one or more investment options.

Changes to the investment options we offer

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

If we close an investment option, we will move your account balance in the closed investment option to another investment option we deem to be an appropriate substitute. You will be given the choice (before the investment option is closed, if possible) 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 is equal to the amount you invest (less contributions tax if applicable) divided by the unit price.

When an amount is withdrawn from an investment option, you sell units in that investment option. The number of units you sell is equal to the amount to be withdrawn divided by the unit price.

How and when is a unit price calculated?

Unit prices are generally calculated for each business day for each investment option, based on the latest available value of net assets in each option at the applicable close of business in all relevant domestic and international markets for that day. The unit price for a specific business day is normally calculated on the next business 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 full realisable value of these assets may not be reflected in the value of net assets used in the unit price calculations, and hence Sunsuper reserves the right to exercise its discretion and use its 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 minus its liabilities, divided by the number of units held by investors in that option. The unit prices include allowances for tax on investment earnings (where applicable), investment fees and investment costs.

How can you review unit prices?

Historical unit prices are available at **[sunsuper.com.au/unitprices](https://www.sunsuper.com.au/unitprices)**, the unit price for a specific business day will normally display online two business days later.

How can you calculate your account balance?

Your account balance is calculated by multiplying the number of units you have in each investment option by the unit price for each option. As the unit prices are calculated on a daily basis, the value of your account may change daily.

How are administration fees and insurance premiums paid?

For *Super-savings accounts*, Administration fees are normally deducted weekly from your account by reducing the number of units you hold using the last available unit price.

For *Income accounts*, Administration fees are deducted from your account by reducing the number of units that you hold using the last available unit price on the day that the transaction is processed. The flat Administration fee is normally deducted weekly and the percentage Administration fee is normally deducted monthly.

Insurance premiums are calculated weekly and normally deducted monthly from your *Super-savings account* by reducing the number of units you hold using the last available unit price.

Additional arrangements may apply for some *Sunsuper for life Business* and *Sunsuper for life Corporate* plans.

What are buy-sell spreads?

Sunsuper does not currently 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.

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. When money is invested in an investment option with a buy-sell spread, the entry unit price includes a buy spread and is used to buy units. When money is withdrawn from an investment option with a buy-sell spread, the exit unit price includes a sell spread and is used to sell units.

The buy-sell spreads for each investment option may vary from time to time to reflect the spreads charged by the relevant investment managers.



Contacting us is easy

- 🖱 sunsuper.com.au/contact-us
- ☎ 13 11 84 (+61 7 3121 0700 when overseas)
- ✉ GPO Box 2924 Brisbane QLD 4001

Need assistance? Call our translation service on 13 14 50 and follow the prompt.

Hai bisogno di assistenza? Chiama il nostro servizio di interpretariato telefonico al 13 14 50, e su richiesta conferma la tua lingua "italiano".

如需協助，請撥打13 14 50 使用我們的翻譯服務，並在聽到提示後說普通話。

Cần sự trợ giúp - gọi điện cho dịch vụ thông dịch của chúng tôi số 13 14 50 - và nói "Vietnamese" (Tiếng Việt) ở câu nhắc

통역이 필요하세요? 13 14 50으로 전화하셔서 '한국어' 혹은 'Korean' 이라고 말하세요.

لمصنعة دة اسم اليل لتجتاح اذ 131450 " كيبارا " لوقب ةي برع ال راتخاو ، راي تخال اعاء دن ع
يلع ةحاتمال ةم جرتال ةمدخ ب

This document is prepared and issued by Sunsuper Pty Ltd, the issuer and Trustee of the Sunsuper Superannuation Fund (referred to as "the Fund" or "Sunsuper"):

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AFSL No. 228975

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For further information on the ratings methodology used and awards refer to sunsuper.com.au/ratingsagencies

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