

Introduction

Vision Super operates an Alternative Assets portfolio that invests money outside the traditional listed equity, property and fixed interest investment markets. These include private equity, opportunistic property, infrastructure and absolute return strategies (sometimes referred to as hedge funds).

Our objectives

Vision Super's objective in investing with alternative managers is to enhance the overall risk and return characteristics of the Fund.

Vision Super invests in alternative assets which have expected risk and return profiles that are not strongly correlated to the listed asset classes. This strategy seeks to build an overall portfolio of investments that can produce superior risk-adjusted returns and/or preserve purchasing power across different market environments.

Accordingly, the alternative assets in which Vision Super invests display a mix of defensive and growth characteristics to complement the characteristics of the listed asset investments. Private equity and opportunistic property are both considered growth investments, absolute return strategies are considered to be defensive investments while infrastructure displays some growth and some defensive characteristics.

Vision Super aims to do this by:

- Diversifying the portfolio's alternative asset investments across the four different investment sub-sectors.
- Investing with multiple investment managers within each sub-sector, which in turn utilise different investment styles and approaches in order to diversify individual investment manager risk.

Investment approach

Alternative assets are very different to traditional investment markets in two important ways:

1. Private equity, opportunistic property and infrastructure, are not "marked to market". This means that they are not valued on a daily basis, whereas companies listed on a share market are.
2. Alternative assets are typically not listed on an exchange like listed equities. As such, they are usually less liquid and tend to be less well researched than traditional listed assets, and therefore represent an opportunity for investment managers to identify different sources of return.

Vision Super's investment approach, is specific to each sub-sector as detailed below.

Australian Private Equity - is investment in Australian private companies that are not listed on a stock exchange. The investment is typically used to fund the development or restructuring of the company. The investor seeks to share in the profits of the business and achieve a positive capital return from its eventual sale. Investment is via a range of "fund of fund" managers and diversified by vintage year and stage (including venture capital, buyout and special situations).

International Private Equity - is investment in international private companies not listed on a stock exchange. The investment is typically used to fund the development or restructuring of the company. The investor seeks to share in the profits of the business and achieve a positive capital return from its eventual sale. Investment is via a range of "fund of fund" managers and diversified by vintage year, stage and region.

Infrastructure - is investment in public or privately-owned facilities including

airports, roads, ports or utilities such as gas, water and electricity services. The investor seeks to share in the income from the operation of these facilities and services. Investment is in Australian and international economic infrastructure as well as Australian social infrastructure which is differentiated by low-risk government-sourced cash flows.

Opportunistic Property - is similar to private equity except that investments are made in various commercial, industrial or residential property development or restructuring projects. Investment is typically for a particular period, with the investor seeking to share in the rental income of the property and to achieve a capital return from its eventual sale. Investment is via a range of development property funds.

Absolute Return Strategies - involves investment in funds run by investment managers that aim to provide a positive return for the investor, rather than investing with the intention of beating a particular share or bond market index. These managers use a wide variety of investment techniques in seeking to achieve their targeted rates of return. Investment is via diversified fund of hedge fund vehicles and other absolute return strategies across different asset classes.

The following page details the investment managers used.

Investment managers used

As a manager of managers, Vision Super continuously monitors the compliance, management, style, complementarity and performance of the managers in its

portfolios. While the number and mix of managers will alter over time, the following is a snapshot of the current managers.

Asset Class	Manager Name
GROWTH	
Infrastructure	<ul style="list-style-type: none"> * Regional Infrastructure Fund * IFM Australian & International Infrastructure
Australian Private Equity	<ul style="list-style-type: none"> * Industry Fund Banking Trust * ING - Private Capital Fund No.1 * Quay Partners Australia 2 & 3 Funds * ABN AMRO - Capital Australia Fund II * Macquarie Alternative Investment Fund IV * IFM Australian Private Equity Funds II & III
International Private Equity	<ul style="list-style-type: none"> * Private Equity Trust * Montagu Newhall III * ABN AMRO - Emerging Europe * LGT Capital Partners AG - Crown European * IFM International Private Equity Fund I & II
Opportunistic Property	<ul style="list-style-type: none"> * Investa - Enhanced * Warakirri Dairy Trust * Eureka Property Fund No.1 * APN - Development Fund No.1 * Macquarie - Asia & Europe Funds II * Colonial Opportunistic Partnership No.1 * Gresham Property Mezzanine Fund No.2 * Wanda / Macquarie Real Estate (China retail)
Absolute Return Strategies	<ul style="list-style-type: none"> * Bridgewater - All Weather Fund
DEFENSIVE	
Defensive Investments	<ul style="list-style-type: none"> * Quellos - Absolute Return Fund * Warakirri - Absolute Return Fund * IFM - Australian Social Infrastructure A

This information was current at the time of publication. Vision Super believes the statements are correct and not misleading but we give no warranty in relation to them. Save for any statutory liability, we disclaim all liability for any loss or damage that may arise from anyone acting on these statements. All services and products detailed in this brochure are subject to Australian laws that may change from time to time. This information sheet is not intended to act as financial advice. Remember, your circumstances and financial needs are unique. Before acting on the basis of anything contained in this document, you should consider whether it is appropriate to your needs and circumstances. You should obtain and read the relevant product disclosure statement before acquiring any financial product. We suggest you seek advice from a licensed financial adviser to make the best choice for your circumstances.