Vision Personal

Investment guide

This statement was prepared on **1 October 2018**
The information in this document forms part of the Product Disclosure Statement of Vision Personal, dated **1 October 2018**

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Telephone

1300 300 820 (8:30am to 5:00pm), Monday – Friday, (not including Victorian public holidays)

Email and website

memberservices@visionsuper.com.au
www.visionsuper.com.au

The information in this additional guide ('Guide') is a summary only and forms part of the Product Disclosure Statement (PDS) for Vision Personal. This guide is up to date at the time it was prepared. Information in this guide is subject to change from time to time. If a change does not materially adversely affect you, we may update the information by notice on our website at **www.visionsuper.com.au** and/or inclusion in the next newsletter. You can also call our Member Services team on 1300 300 820. A paper copy of updated information will be given to you without charge, on request.

Vision Super Pty Ltd ABN 50 082 924 561, AFSL 225054, RSE Licence L0000239 ('the Trustee' or 'we' or 'us') as the Trustee of the Local Authorities Superannuation Fund ('Vision Super' or 'the Fund') ABN 24 496 637 884. The final authority on any issue relating to the Fund is the Trust Deed governing the Fund and the relevant insurance policy (if applicable).

1. Risks of investing in super

All investments carry risks, including the investments you make as a Vision Personal member. Super funds invest in a diverse range of assets, including Australian and overseas shares, property, bonds, infrastructure and cash which are included in different investment strategies. Each investment strategy has a different risk profile depending on the assets that make up the investment strategy. Those assets offering the highest long-term returns, such as equities, may also carry the highest level of short-term risk. For further information about investment risks including risks specifically associated with each asset class and the risk profile of each of Vision Super's investment options, refer to section 2 of this guide.

When investing in super, there are significant risks to consider.

These include:

Equity risk	Investors in shares or stocks take on equity risk in order to earn an equity risk premium. The equity risk premium is the extra return that investors require for investing their money in stocks, instead of holding it in a riskless or close to riskless investment.
Inflation and interest rate risk	There is a risk that inflation may exceed the return of your investments. If inflation is higher than your investment returns, this will diminish the real value of your benefits. As interest rates change, they can impact investment returns positively or negatively. Generally, as interest rates rise, the price of fixed interest securities (bonds) will fall; if rates fall, the price of bonds tends to go up.
Credit (including counterparty and bankruptcy) risk	There is a risk that a party in a contract will not live up to its contractual obligations. This is often also referred to as default/counterparty risk. This risk may result in lost capital and income, disruption to cash flows, and increased collection costs.
Liquidity risk	There is a risk that an investment can not be converted to cash quickly without having an undue negative impact on asset prices which may lead to a delay in meeting member switches or redemptions, or other payment obligations of the Fund, or may result in a loss.
Currency risk	When investing in overseas assets, the value of your investment will fluctuate with the value of the Australian dollar. To offset this currency risk in international investments, Vision Super partially hedges against currency fluctuations.
Operational risk	This risk is associated with fraud, human error, systems failures and inadequate procedures and internal management controls which could result in a material loss. This includes the risk of unit pricing errors. This may also include the risk that the valuation system incorrectly calculates a price for a derivative or its equivalent exposure.
Changes to government policy and legislation	Legislative changes may affect your benefit or your ability to access your benefit, such as changes to how super benefits are taxed, the caps (limits) on contributions that a super fund can accept, how super funds are taxed, and the preservation rules.
Climate/ESG Risk	The risk that environmental / climate factors will impair the value of your investments, or impact negatively on the cost of living in retirement. The risk that social factors (such as human rights, labour standards, health and safety) may result in litigation against companies, and/or reputational loss, which may impair the value of your investments. The risk that governance factors can result in companies not taking actions in the best interests of investors, which may impair the value of your investments.

Due to these risks, your superannuation (including your contributions and any returns) may not be sufficient to adequately fund your retirement. It is worth consulting a professional financial adviser to assist in developing an investment and savings strategy that will help you achieve your retirement goals, taking into account your personal circumstances (including risk tolerance). The information about risks shown here is general information only and does not consider your objectives, financial situation or needs.

2. How we invest your money

Investment options and performance

We have always taken a long-term view on investments and use external specialists to help manage our investment portfolio. You can obtain daily unit prices and updated monthly investment returns from our website or from our Member Services team.

Your investment choice

You can invest in one or more of our Premixed options, each with asset allocations determined by us. If it suits your investment plan, you can also choose your own asset allocations using our Single sector options. You can also invest in a combination of Premixed and/or Single sector investment options.

Please note when you apply to join Vision Personal, you are doing so on the basis that your account balance (including contributions) will be invested in the Sustainable balanced investment option (a premixed option). As a member of Vision Personal you can also choose from 10 other investment options: Growth, Balanced growth, Balanced, Conservative, Just shares, Innovation and disruption, Australian equities, International equities, Diversified bonds and Cash, described later in this guide.

When making an investment choice you should consider the information about fees and costs in the Vision Super fees and costs guide. Different investment fees apply depending on the investment options you choose.

Investment principles

All superannuation investments carry risk including (but not limited to) investment risk. Before you select an investment option/s, you need to:

- Assess your own individual needs and objectives, and
- Work out your own attitude to investing.

The information provided in this section is general. It has been prepared without taking into account your investment objectives, personal circumstances or particular needs. **You should speak to a licensed financial planner who can help you achieve your financial goals within your own risk tolerance.**

Note that the value of investments can go up and down. Past performance is not necessarily indicative of future performance.

There are four important investment fundamentals that you might want to take into account when making your investment selection:

1. Risk tolerance

Investment risk refers to the likelihood of negative returns and loss of capital over various time frames. Generally, growth assets such as equities (or shares) and property are more volatile and their values may fluctuate widely, particularly over the short-term. Defensive assets, such as fixed interest and cash, are generally less volatile and fluctuate less in value than growth assets. How much volatility you are prepared to accept will depend on your own attitude to investments, your previous experiences, your investment time frame and your life expectancy (amongst other things). Your risk profile will greatly influence your investment selection and the weightings in growth versus defensive assets (asset allocations). You should consider the summary risk level shown in this guide for each of our investment options having regard to your risk profile or tolerance.

2. Risk versus return

Generally, growth assets may outperform defensive assets over the long-term, but have a higher degree of risk (negative returns) along the way. Defensive assets generally provide a lower rate of return, but are less risky, and historically less volatile. Further information about balancing risk and return is outlined later in this guide.

3. Diversification

Diversification is a method of reducing investment risk. It means spreading your investments both across and within asset classes. The principle is that the more you diversify, the more you may be able to reduce investment risk. It is important to understand that there is a level of risk with all investments, and you can never diversify away market risk (risk that affects the market as a whole). Our pre-mixed options provide a degree of diversification across asset classes and the underlying investments. By their nature, single sector options are not diversified across different asset sectors but employ diversification in the underlying investments, with the innovation and disruption option being the least diversified because its focus is on a small number of companies that use technology in an innovative way.

4. Timeframe to invest

It is important to work out your time frame for investing. Generally, defensive asset allocations are better suited to short-term investment time frames. However, superannuation is generally seen as a long-term investment. More information about the principles of investing and the characteristics of the various asset classes can be found on our website, or by calling our Member Services team.

Environmental, social and governance (ESG) principles

Vision Super has an obligation to its members to grow their retirement savings over time. One of the means by which we try to achieve this objective is to encourage our underlying investment managers to incorporate environmental, social and governance (ESG) considerations into their investment and decision making processes. The Vision Super ESG policy integrates sustainability and social responsibility into our everyday operations.

We take into account labour standards, environmental, social and ethical considerations, as well as key financial criteria, when selecting, retaining or realising investments of the Fund, as set out below. This applies to all asset classes but tends to have more relevance to the equity asset classes.

When searching for new (or reviewing existing) active investment managers, our due diligence includes assessment of how environmental, social and governance risks are incorporated into the investment process including the use of positive screens* if any. The investment manager are asked to specify the resources available to analyse ESG risks, including personnel and their expertise, and external research services used. Except to the extent described below, the specific labour standards or environmental, social or ethical considerations, and the extent to which they are taken into account, is determined on a case by case basis for each manager search, depending on the particular sector. Vision Super has no predetermined view other than it takes into account labour standards or environmental, social or ethical considerations it may become aware of, but only to the extent that they financially affect the investment.

The indexed component of our Australian and International equities portfolios (at a Fund level) are managed to the following low carbon benchmarks;

- The indexed component of our International equities portfolio is managed to the global MSCI Low Carbon Index. The MSCI Low Carbon index aims to reflect a lower carbon exposure than that of the broad market by overweighting companies with low carbon emissions (relative to sales) and those with low potential carbon emissions (per dollar of market capitalisation). This index has a carbon footprint 70% below the broad market global MSCI Index. The indexed component of our International equities portfolio is approximately 50% of the total International equities portfolio.
- The indexed component of our Australian equities portfolio is managed under a mandate that similarly provides a tilt to low carbon emitters. The manager endeavours to achieve a reduction of 12.5% in the carbon emissions of an equivalently sized portfolio. The indexed component of our Australian equities indexed portfolio is approximately 50% of the total Australian equities portfolio.

For the remaining approximately 50% of the total International equities portfolio and approximately 50% of the total Australian equities portfolio, our managers are required to take into account ESG principles in their company evaluations. We specifically ask our managers to include in such evaluations a reasonable estimate of the impact of phasing out fossil fuel usage, consistent with limiting global warming to no more than 2 degrees centigrade above the pre-industrial global mean temperature.

This shift to low carbon investment again reinforces Vision Super's commitment to sustainable investment, which has included over a decade of major investment in renewable energy, wind, solar and hydro power. Vision Super owned and operated the Wonthaggi Windfarm for 10 years and is keen to invest in more renewable energy generation.

Vision Super has determined that it will not directly invest in companies that derive material revenue from controversial weapons – which include companies that are involved in the manufacture and/or production of controversial weapons, land mines, cluster bombs, nuclear weapons or similar. This is agreed in writing with all our International equities managers. There are currently no companies listed on the Australian stock exchange engaged in weapons manufacturing.

The above considerations apply to all investment options, to the extent that the options invest in the relevant asset classes. If an asset is or becomes inconsistent with the above considerations, we will determine whether it is retained or realised (ie. sold) on a case by case basis.

The Sustainable balanced option has a particular focus on environmental considerations, with 100% of the Australian and International equities portfolios managed to low carbon benchmarks. We are currently working with our index managers to include further positive screening for environmental considerations (other than carbon emissions).

Up to date or additional information of Vision Super's approach to ESG principles may be found on our website.

*Positive screens – is where we seek to invest in companies that engage in what we see as desirable practices, as determined from time to time.

What is passive investing?

The Sustainable balanced option is passively invested. Vision Super has built a portfolio that closely mimics the performance of a market index. This is the opposite of active investing, which is building a portfolio that is different from a market index in an attempt to outperform it, and comes with higher costs.

Passive investing keeps your fees low, and that's what Vision Personal Sustainable balanced is all about. We believe that by keeping fees low you'll benefit in the long run.

Your strategy

An important part of successful superannuation investing is to set a strategy for the long-term and regularly monitor investment performance to ensure it is meeting your personal objectives. Before making any decisions about investing your super, you should seek advice from a licensed financial adviser.

Switching

You can switch between investment options via our website using Vision Online, or by supplying a valid original or faxed Investment Choice Election Form which is available from our website or our Member Services team. You can switch investment options in relation to some or all of your account balance, future contributions or both. You can also nominate which investment option you would like your withdrawals to be made from.

A valid original request means that the request form is signed and the total investment allocation across the selected investment options adds up to 100%. You can switch some or all of your account balance by nominating percentages of your account balance. No switching fees will apply. Buy-sell spreads are currently nil for all Vision Super investment options. This is based on the current level and pattern of member transactions and the current level of transaction costs incurred by our Investment managers. If circumstances change, Vision Super may need to change buy-sell spreads to ensure it is able to more appropriately recover the transaction costs that result from member transactions. For more information on transaction costs and buy-sell spreads refer to our Vision Super Fees and Cost guide.

If you nominate one or more investment options for your future contribution and withdrawal transactions (future transaction options), any contributions or withdrawals made after the effective date of your election will be credited to or deducted from your future transaction option/s, unless express written instructions specifying otherwise are provided prior to the transactions being processed. Any nomination you make for your future transactions does not apply to all transactions.

For example, administration fees are deducted proportionately across all your account's investments at the time of processing the fee deduction.

Investment switches are processed on the basis of the unit prices of the relevant investment options declared on the next business day after the receipt of the switching request, unless there is a delay with processing due to abnormal market conditions or system failure. Vision Super will use its best endeavours to declare the unit prices as soon as possible. Further information about unit prices is outlined below.

Frequent switching between investment options and trying to second-guess the market can be risky, primarily for high-risk investment options designed to be held in the long term (6–12 years) You should switch only after a thorough review of your long-term investment strategy.

We recommend that you obtain financial advice before making any decisions about switching between investment options.

You should be aware that the Trustee reserves the right to defer processing of a switch request. For example if the Trustee considers that such actions may disadvantage other members or have other adverse implications for the Fund.

Derivatives

Derivatives are investments where investment values are based on one or more underlying physical securities. For instance, the value of a share option is based on the price of the underlying share.
Vision Super permits the selective use of derivatives as part of its investment strategy in any of its eleven investment options. Derivatives enable us to hedge against risk by increasing or decreasing exposure to individual securities and markets without having to buy or sell underlying physical securities.

Unit prices

When you invest with Vision Super, your money buys a number of units in each of your nominated or default investment options. These units are purchased using a 'buy' price. Where transaction costs are recovered through a buy-sell spread, the 'buy' price is calculated by taking the value of the unit, that is known as the 'mid' price, and then applying the cost of the transaction to that price. The same principle is applied to the prices when you sell units (e.g. when you switch options or withdraw money). This is known as the 'sell' price and reflects, if a buy-sell spread is applied, the cost of that transaction. Any transaction on your account that involves the buying (eg. contributions, rollins) or selling units (eg. withdrawals, deduction of fees and insurance premiums) is usually processed using the latest unit price as described below.

Your account balance is always based on the unit 'sell' price, which is the amount you would receive for the units you hold in Vision Super investment options should we make a benefit payment to you or rollover your benefits to another fund.

Unit prices go up and down according to investment performance and the unit price of an investment option will fluctuate to reflect investment earnings (which can be positive and/or negative). These movements are ultimately reflected in your account balance.

Based on the current level and pattern of member transactions and the current level of transaction costs the buy and sell prices are currently the same and buy-sell spreads are nil. If circumstances change, Vision Super may need to change buy-sell spreads to ensure it is able to more appropriately recover the transaction costs that result from member transactions (as per the fees and costs guide).

Our latest unit prices are usually updated on our website by late on the next business day. The publication of unit prices might be delayed as a consequence of abnormal market conditions or system failures. In such circumstances, Vision Super will use its best endeavours to publish unit prices as soon as possible.

The unit prices are calculated after the reserving margin and an estimate of investment fees and taxes on investment earnings are taken out. These estimates will be adjusted as information becomes available for the calculation of future prices.For more information on how fees and costs (including transaction costs and buy-sell spreads) affect you, please refer to our Vision Personal Fees and Costs guide.

What happens if we make a mistake when calculating unit prices?

Although we have controls in place to prevent unit pricing errors, occasionally they may occur. Vision Super generally follows industry practice if an error is made. Compensation may be paid depending on the circumstances and other relevant factors. For exited members, compensation below $20 will not be paid. The amount of compensation will be determined on a case by case basis and a higher threshold may apply.

Our Premixed options

Our Premixed options offer a blend of asset allocations applicable to different investment objectives and tolerance to risk, subject to benchmark allocations and indicative ranges described below. You have a choice of different Premixed options: Growth, Sustainable balanced, Balanced growth, Balanced and Conservative.

Please note when you apply to join Vision Personal, you are doing so on the basis that your account balance (including contributions) will be invested in the Sustainable balanced investment option. As a member of Vision Personal you can also choose from 10 other investment options: Growth, Balanced growth, Balanced, Conservative, Just shares, Innovation and disruption, Australian equities, International equities, Diversified bonds and Cash, described below.

Our Premixed option profiles allow you to understand the investment objectives and strategies behind each portfolio. An explanation of the asset classes in which each option invests appears at the end of this guide. The risk and return characteristics associated with each asset class are considered in the risk profiles associated with each Premixed options.

Our Single sector options

Our Single sector options offer access to sectors that are predominately made up of an individual asset class or a small number of similar asset classes. Single sector options give you the ability to invest solely in an individual asset class, or choose more than one single sector option to create your own mixed portfolio. Single sector options can also be used in combination with Premixed options.

You have a choice of different Single sector options: Just shares, Innovation and disruption, Australian equities, International equities, Diversified bonds and Cash.

You should proceed cautiously when investing in Single sector options. You should objectively consider your familiarity with the individual asset classes, investments within the asset class, economic cycles and their impacts (positive and negative) on investment markets and, in particular, the performance of asset classes.

If you choose your own asset allocation, remember that your actual asset allocation will change over time depending on the performance of each asset class in which you have invested. If you are using Single sector options, you should review your asset allocation at least once a year to ensure it is still consistent with your objectives and to ensure you are sufficiently diversified across asset classes. You should have a properly developed investment strategy and investment objective.

We recommend that you seek financial advice if you need assistance with this.

The **Single sector options** aim to achieve returns that meet their respective investment objectives. The performance of these Single sector options is measured against recognised investment benchmarks. Single sector profiles include the investment objectives and strategies behind each portfolio. An explanation of the asset classes in which each option invests appears at the end of this guide.

It should be noted the investment objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.

Note that the value of investments can go up and down. Past performance is no indication of future performance.

Innovation and disruption

Innovation and disruption is a new investment option available to you from 12 February 2018. This option is currently invested with one active manager. This may change in the future if additional managers are needed and fit with the option's strategy.

The current manager invests in a small number of companies with the aim of maximising growth. This approach has led to investing in companies that have used technology in various forms to power their growth. Such companies generally utilise innovative techniques in an attempt to achieve sustainable, above market growth.

The Innovation and disruption option is partially hedged, consistent with Vision Super's other international equities options. for more information about hedging, refer to pages 14 and 18 of this guide.

Investment objectives

The investment objectives for our premixed investment options aim to earn investment returns higher than the inflation rate. Inflation is measured by the Consumer Price Index (CPI) published by the Australian Bureau of Statistics (ABS), which indicates the average change in prices paid for a particular 'basket' of goods and services.

For our Single sector options, the investment objective is to outperform internationally recognised market indices relevant to the specific sector. For example, for equities we use stock exchange indices, as this gives us a measure of the broader market performance.

The investment objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.

Strategy

While the investment objective states the investment aim, the strategy provided for each option is a guide on how we intend to go about achieving the objective. As noted above, these objectives are not predictions or forecasts, but merely represent a performance measure for each strategy.

Standard Risk Measure

The summary risk level for each option is based on a Standard Risk Measure which is, in turn, based on industry guidance to allow members to compare investment options that are estimated to deliver a similar number of negative annual returns over any 20 year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk. For instance it does not state what the size of a negative return, or the potential for a positive return, could be. It is based on predictions of the future economic environment which may change over time. Further, it does not take into account the impact of administration fees and tax on the predicted negative returns.

You should ensure that you are comfortable with the risks and potential losses associated with your chosen investment option/s and if necessary you should seek professional financial advice. Neither the Trustee nor any employee or Director of the Trustee guarantee the performance of the Fund.

Growth

Most suitable for

Members who are prepared to accept a more aggressive asset allocation than the 'Balanced growth' option. This option has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy

To invest in a diversified portfolio with a high exposure to equities.

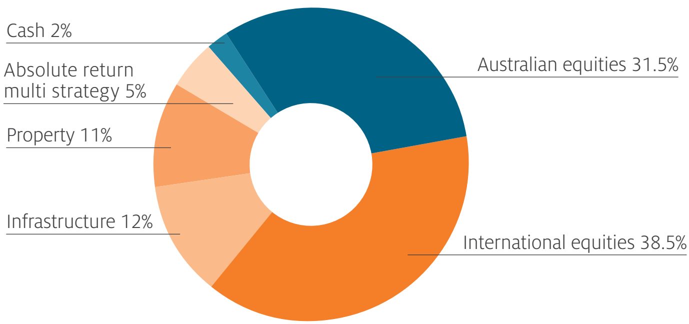
Investment objective

This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 4.0% per annum over at least two thirds of all rolling ten year periods.

Asset class

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

ASSET CLASS	ALLOCATION	INDICATIVE RANGE
Australian equities	31.5%	21.5–41.5%
International equities	38.5%	28.5–48.5%
Opportunistic growth	0%	0–25%
Infrastructure	12%	2–22%
Property	11%	0–21%
Absolute return multi strategy	5%	0–15%
Alternative debt	0%	0–10%
Diversified bonds	0%	0–10%
Cash	2%	0–12%



Summary risk level

High.

Estimated frequency of a negative annual return

4 in 20 years on average.

Minimum investment time frame

Long-term (6 to 12 years).

Sustainable balanced

Most suitable for

Members who are prepared to accept a more aggressive asset allocation than the 'Balanced' option, and have an interest in socially responsible investing. This option has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy

To invest in a diversified portfolio with a moderate exposure to cash and diversified bonds, and a higher exposure to equities, while having regard to ESG principles.

Investment objective

This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 3.0% per annum over at least two thirds of all rolling ten year periods.

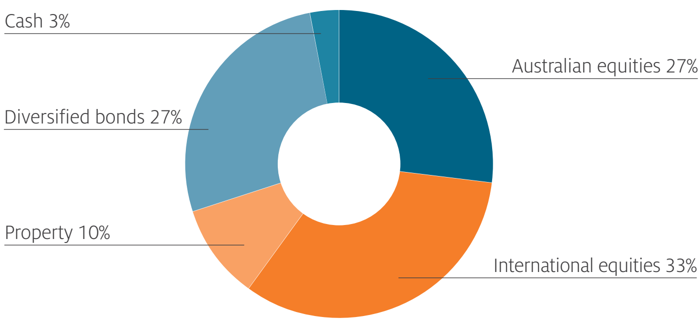
Asset class

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

The Sustainable balanced option differs from the other investment options in the following ways:

- Simpler option with fewer asset classes
- Passively managed
- 100% of the equity allocation is managed to a low carbon benchmark.

ASSET CLASS	ALLOCATION	INDICATIVE RANGE
Australian equities	27%	17–37%
International equities	33%	23–43%
Property	10%	0–20%
Diversified bonds	27%	17–37%
Cash	3%	0–13%



Summary risk level

High.

Estimated frequency of a negative annual return

4.5 in 20 years on average.

Minimum investment time frame

Long-term (5 to 10 years).

Balanced growth

Most suitable for

Members who are prepared to accept a more aggressive asset allocation than the 'Balanced' option. This option has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy

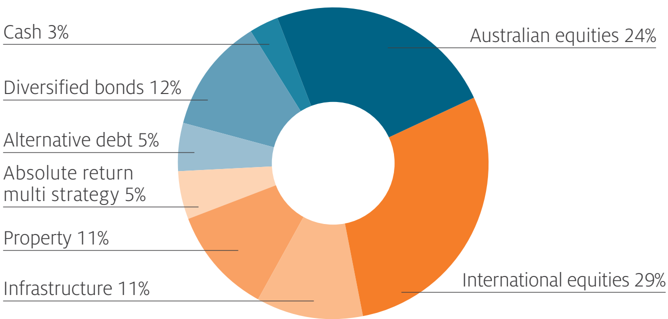
To invest in a diversified portfolio with a moderate exposure to cash and diversified bonds, and a higher exposure to equities.

Investment objective – This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 3.5% per annum over at least two thirds of all rolling ten year periods and to outperform (after fees and taxes) the median default superannuation fund over rolling three year periods.*
*Based on the SuperRatings Fund Crediting Rate Survey – default options.

Asset class

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

ASSET CLASS	ALLOCATION	INDICATIVE RANGE
Australian equities	24%	14 – 34%
International equities	29%	19 – 39%
Opportunistic growth	0%	0 – 20%
Infrastructure	11.0%	0 – 21%
Property	11.0%	0 – 21%
Absolute return multi strategy	5.0%	0 – 14%
Alternative debt	5.0%	0 – 15%
Diversified bonds	12.0%	3 – 23%
Cash	3.0%	0 – 13%



Summary risk level

High.

Expected frequency of a negative annual return

4 in 20 years on average.

Minimum investment time frame

Long-term (5 to 10 years).

Balanced

Most suitable for

Members who want a balance between risk and return.

Strategy

To invest in a diversified portfolio with exposure to cash, diversified bonds, property and equities.

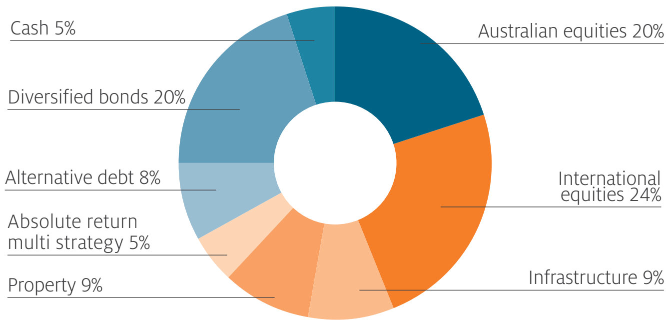
Investment objective

This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 3.0% per annum over at least two thirds of all rolling ten year periods.

Asset class

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

ASSET CLASS	ALLOCATION	INDICATIVE RANGE
Australian equities	20%	10–30%
International equities	24%	14–34%
Opportunistic growth	0%	0–15%
Infrastructure	9%	0–19%
Property	9%	0–19%
Absolute return multi strategy	5%	0–15%
Alternative debt	8%	0–18%
Diversified bonds	20%	10–30%
Cash	5%	0–15%



Summary risk level

Medium to high.

Estimated frequency of a negative annual return

3 in 20 years on average.

Minimum investment time frame

Long-term (4 to 8 years).

Conservative

Most suitable for

Members who wish to select a less aggressive asset allocation in exchange for more stability and security.

Strategy

To invest in a diversified portfolio with a higher exposure to cash and diversified bonds, and a lower exposure to equities.

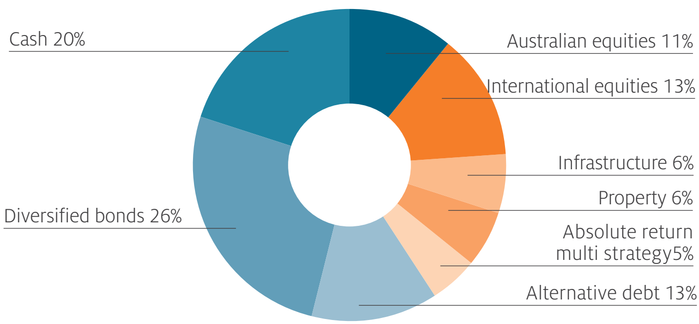
Investment objective

This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 2.5% per annum over at least two thirds of all rolling ten year periods.

Asset class

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

ASSET CLASS	ALLOCATION	INDICATIVE RANGE
Australian equities	11%	1–21%
International equities	13%	3–23%
Opportunistic growth	0%	0–10%
Infrastructure	6%	0–16%
Property	6%	0–16%
Absolute return multi strategy	5%	0–15%
Alternative debt	13%	3–23%
Diversified bonds	26%	16–36%
Cash	20%	10–30%



Summary risk level

Low to medium.

Estimated frequency of a negative annual return

1.5 in 20 years on average.

Minimum investment time frame

Medium-term (3 to 6 years).

Single sector options

Just shares

Most suitable for – Members who are prepared to accept a more aggressive asset allocation than the 'Growth' option. This option has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy – to invest in a premixed portfolio of Australian and international equities, with allocations to both active and passive managers.

Investment objective – this option aims to outperform (after fees and before taxes):

- 45% S&P/ASX 300 Accumulation Index
- 55% MSCI All Countries World ex Australia Net Dividends Index, partly hedged based on the long term strategic currency exposure target.

Asset class – The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time.

ASSET CLASS	ALLOCATION	INDICATIVE RANGE
Australian Equities	45%	35–55%
International Equities	55%	45–65%

Summary risk level – Very high.

Estimated frequency of a negative annual return – 6 in 20 years on average.

Minimum investment time frame – long term (7 to 14 years).

Innovation and disruption

Most suitable for – members who are prepared to accept an aggressive asset allocation which has the potential of providing higher returns, but also increases the risk of a negative return. Members should be comfortable with the risks associated with investing in emerging or developing technologies.

Strategy – to invest in high growth companies overseas that are disruptive and innovative within their industry. These companies generally use technolgy in various forms to power their growth. The companies are usually listed on one or more overseas stock exchanges however there will also be an exposure to unlisted assets in the option.

Investment objective – this option aims to outperform (after fees and before taxes) the MSCI All Countries World ex Australia Net Dividends Index, partly hedged based on the long term strategic currency exposure target.

Asset class – 100% International equities

Summary risk level – Very high.

Estimated frequency of a negative annual return – 7 in 20 years on average.

Minimum investment time frame – long term (7 to 14 years).

International equities

Most suitable for – members who are prepared to accept an aggressive asset allocation which has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy – to invest in overseas companies usually listed on one or more overseas stock exchanges, with allocations to both active and passive managers.

Investment objective – this option aims to outperform (after fees and before taxes) the MSCI All Countries World ex Australia Net Dividends Index, partly hedged based on the long term strategic currency exposure target.

Asset classes – 100% international equities.

Summary risk level – Very high.

Estimated frequency of a negative annual return – 6 in 20 years on average.

Minimum investment time frame – long-term (7 to 14 years).

Australian equities

Most suitable for – members who are prepared to accept an aggressive asset allocation which has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy – to invest in Australian companies usually listed on the Australian Stock Exchange (ASX) with allocations to both active and passive managers.

Investment objective – this option aims to outperform (after fees and before taxes) the S&P/ASX 300 Accumulation Index.

Asset classes – 100% Australian equities.

Summary risk level – Very high.

Estimated frequency of a negative annual return – 6.5 in 20 years on average.

Minimum investment time frame – long-term (7 to 14 years).

Cash

Most suitable for – members who wish to select a less aggressive asset allocation in exchange for more stability and security.

Strategy – to invest cash in money market securities such as bank term deposits and bank bills.

Investment objective – this option aims to outperform (after fees and before taxes) the Bloomberg Ausbond Bank Bill Index.

Asset class – 100% Cash.

Summary risk level – Very low.

Estimated frequency of a negative annual return – It is not expected to provide negative returns over any period.

Minimum investment time frame – short-term (0 to 3 years).

- 50% Bloomberg Ausbond Composite All Countries Bond Index
- 50% Barclays Global Aggregate ex Australia Index (Hedged in AUD)

Diversified bonds

Most suitable for – members who wish to select a less aggressive asset allocation in exchange for more stability and security.

Strategy – to invest in interest bearing bonds and some indexed bonds in Australia and overseas.

Investment objective – this option aims to outperform (after fees and before taxes) :

- 50% Bloomberg Ausbond Composite All Maturities Bond Index.
- 50% Barclays Global Aggregate ex Australia Index (Hedged in AUD).

Asset classes – the long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

ASSET CLASS	ALLOCATION	INDICATIVE RANGE
Diversified bonds	100%	80–100%
Alternative debt	0%	0–10%
Cash	0%	0–10%

Summary risk level – low to medium

Estimated frequency of a negative annual return – 1.5 in 20 years on average.

Minimum investment time frame – medium-term (3 to 6 years).

Balancing risk and return

Risks

There is a risk that investment returns are not what you expect and may be negative. Levels of investment risk are linked to the asset classes in which you have invested, and many other geographical, environmental, technologicalpolitical and economic changes, such as natural disasters, pandemics, war or terrorist acts.

Clearly, there is little you can do about external forces affecting your investments, but you can strongly influence outcomes through your choice of investment options. As a rule of thumb, growth investments carry a greater risk and may deliver higher returns over the long-term. However, they can also produce negative returns, particularly over the short-term. As such, extended investment periods may be appropriate for investors with significant exposure to equities and property.

Returns

We present investment earnings as net returns in your Annual Member Statement. This is the return after tax on investment earnings, the reserving margin component of the percentage based administration fee and any investment fees are accounted for. When you compare Vision Super with other funds, you should consider what fees, costs and taxes have been taken out of their stated returns.

The risk and return for Premixed and Single sector options

For Premixed options, you should consider the relative influence of the predominant asset classes in which they are invested. For example, in the Sustainable balanced option, the risk is primarily influenced by growth assets such as equities.

When you invest in Single sector options, you are exposed to the performance associated with the specific risks of the asset classes. If you choose Single sector options, we suggest that you consider diversifying your investment and spreading your risk.

you should note that the innovation and disruption option is less diversified in terms of th number of companies and industry sectors invested in, because of its focus on companies using technology to power their growth. We strongly recommend the innovation and disruption option be part of a diversified investment strategy that takes your personal circumstances into consideration.

To help you understand more about asset classes available to you through Vision Super and the risks associated with them, we suggest you read the information on the following pages.

Get more advice

Everyone's tolerance to risk is different and often changes as we progress through life. If you are unfamiliar with the asset classes, the types of investments within each asset class or the behaviour of investment markets and the economic influences on them, you should seek the advice of a licensed financial planner. A licensed financial planner can assist you in identifying your goals and determine the right balance of risk and return for you in the context of your personal circumstances, goals and risk tolerance.

Additional explanation of asset classes

Australian equities

Investments in Australian companies (via ‘shares’ or ‘equities’) are usually listed on the Australian Stock Exchange (ASX). The expected return is higher than some other asset classes but the risk is greater.

The Fund receives franking credits from some Australian share investments. These are tax credits available to investors for income earned in the form of franked dividends by Australian listed companies. If a dividend is franked, it means that some or all of the dividend relates to income that the company has paid tax on.

Risks

Sharemarkets go up and down, but generally trend upward over the long-term. The risk associated with equity investments is linked to a complex mix of financial influences including economic trends both here and overseas, interest rate movements, political change, consumer spending, employment levels, inflation and investor confidence.

The long-term upward trend for sharemarkets is due to the growth in the capital value of companies. The risk is that some companies can shrink or disappear. That is why your equity investments should diversify across a number of companies and industry sectors.

The long-term growth of equities makes some investment in Australian shares an important part of an investment strategy extending over five years or more. You may experience some years of zero or even negative returns in Australian equities but, over time, they have generally delivered an overall positive return.

International equities

These are investments in listed overseas companies (via ‘shares’ or ‘equities’). Overseas equities have, over the long-term, generally offered similar returns to Australian equities.

The Fund receives no franking credits from investments in overseas equities, but may receive some foreign tax credits.

Risks

The risks outlined for Australian equities also apply substantially to overseas equities, except that there is the added potential for volatility caused by volatile currency exchange rates. If you are investing in overseas markets in Australian dollars, the value of your investment will decline if the Australian dollar value increases substantially against other currencies. Of course, the opposite is true if the Australian dollar value declines.

To offset this risk, some super funds hedge against currency fluctuations. Generally, Vision Super’s overseas equity investments are partially hedged, but from time to time this may change depending on our assessment of likely currency movements. This may mean you have substantial exposure to the Australian dollar value on currency markets.

A large proportion of Vision Super’s overseas equity portfolio is invested in the world’s developed sharemarkets. However, in recent years, the Fund has invested a higher proportion of the portfolio in emerging markets.

Property

This asset class involves investing in properties including investments in shopping centres, office buildings, factories and warehouses. We invest in property through property trusts when we believe that they may have the potential to deliver good investment returns. The property trusts may be listed or unlisted and may include both Australian and international investments. Return from property comes from both rental income and capital growth (increase in the valuation of the property). We do not invest directly into property.

Risks

Some people believe that Australian property prices never go down. They feel comfortable with 'bricks and mortar' investments because, amongst other things, they include their own home. However, there are risks associated with property investments, linked to economic drivers like employment levels, consumer confidence and, in particular, interest rates.

Like equities, the long-term trend in Australian property prices is upwards, but the market can flatten out and even be negative, particularly if there are sustained rises in interest rates. Historically, returns on property have been higher than bonds over the longer- term, but with higher risk.

Opportunistic growth

Opportunistic Growth is an alternative asset class and includes investments that allow our managers to take advantage of special opportunities that may arise across the broad spectrum of investment markets, both domestically and internationally.

Opportunistic Growth investments generally have growth attributes, depending on the underlying investments and the proportion of debt (leverage) used in the strategy or investment. An example of opportunistic growth exposure is an investment in private equity where venture capital private equity managers invest in start-up technology companies such as Facebook. Other examples are property development or funds that reposition properties and then sell them.

Many opportunistic growth assets take many years to mature and the profits may not be realised until the investment is sold.

Risks

The risk associated with well-selected opportunistic growth assets is not substantially different to investments in Australian and international equities.

Infrastructure

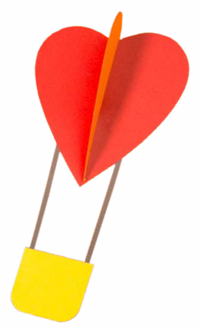
Infrastructure can be both listed and unlisted. Currently, Vision Super only invests in unlisted Infrastructure where the focus is on mature assets with long-term, contracted cash flows. This asset class has both growth and defensive characteristics depending on the proportion of debt and new development associated with the assets in the underlying fund or investment vehicle.

Good examples are airports, which may provide long-term growth opportunities, but potentially some volatility in returns due to a variety of factors and trends affecting travel. Infrastructure investments with defensive characteristics might include investments in infrastructure like public transport, communications networks, water companies and electricity distribution networks, which generally benefit from consistent revenue streams, but not the growth potential of other assets.

Our infrastructure investments may include both Australian and international investments.

Risks

The risk associated with Infrastructure is similar to property and sits between equities and diversified bonds. Infrastructure assets are less liquid in nature than equities and diversified bonds.



Diversified bonds

Diversified bonds are issued by Federal and State Governments and some companies. If you buy a bond, it usually entitles you to regular payments of interest over a fixed period plus the return of your investment at the end of the period. Our diversified bond investments include Australian and international bonds along with nominal and inflation linked bonds.

Risks

The bond market is a complex trading environment, driven by economic factors, an issuer's credit rating, investor sentiment towards growth assets like equities and interest rate movements. In a rising interest rate environment, diversified bonds can lose some of their capital value.

Over the long-term, diversified bonds will deliver a lower yield than growth assets. However, there are times when the regular income payments that bonds interest provide make this type of investment attractive.

Absolute Return Multi-Strategies (ARMS)

ARMS is an alternative asset class where managers invest across a broad spectrum of assets, both domestically and internationally. ARMS investments have both growth and defensive attributes depending on the underlying investments and the proportion of debt (leverage) used in each strategy.

ARMS include global macro hedge funds and multi-asset fund managers. The manager has a target return that can be derived from allocating across many markets with little restriction on the allocations. ARMS managers have a relatively short timeframe to achieve positive returns.

Risks

The risk associated with well-selected ARMS assets is not substantially different to investments in Australian and international equities. For the reasons outlined above, returns from growth alternative are likely to be more volatile than defensive alternatives.

Cash

This is not just money in the bank but also money invested for a short time in money market securities such as bank term deposits and bank bills.

Risks

The risk associated with cash investments are generally minimal, although the investment upside is also minimal. Cash is a safe haven in times of economic uncertainty and occasionally you may wish to preserve capital by allocating some of your super to cash. In periods of high inflation, cash interest rates may not keep up with the increase in inflation and therefore (in real terms) investors may experience a reduction in their investment.

Alternative debt

These are low duration, credit instruments including instruments in various credit sub-sectors and other debt markets that aim to outperform a floating rate (cash plus) style benchmark.

Investments can include multi-sector/credit debt portfolios that vary their allocation to different parts of the debt markets, based on the relative opportunity set including from a bottom up security selection perspective.

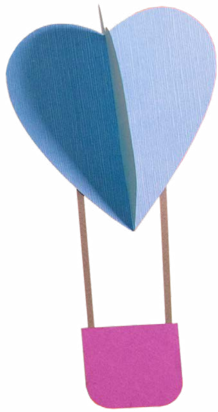
Investments may also include specialist investments in sub-sectors such as bank loans, high yield, emerging market debt and other alternative debt markets. While duration is low, maturities may be longer-term.

Risks

The risks associated with floating rate debt are similar to diversified bonds which is primarily driven by economic factors such as inflation risk, credit risk and liquidity risk. As such, investors may not be able to buy and sell these securities at certain times at market prices. Floating rate debt is a sub asset class of diversified bonds and consequently, members cannot directly invest in the floating rate debt asset class

More on currency

Changes in the value of the Australian dollar on currency markets can significantly affect the investment performance of overseas assets. Each investment option has a target foreign currency exposure. Overseas investments are partially hedged in accordance with the Fund's foreign currency management policy.



We have the highest platinum rating for 'best value for money' – 12 years running

SUPER RATINGS

10 YR PLATINUM PERFORMANCE 2008–2018

SUPERRATINGS PLATINUM 2018 CHOICE SUPER

SUPERRATINGS PLATINUM 2017 PENSION

BEST NEW INNOVATION FINALIST 2017

INFINITY RECOGNISED 2018

AA AODP GLOBAL CLIMATE INDEX 2017