

## Investment Options Guide

1 April 2012

- 12 investment options to choose from or mix
- Daily investment switching
- Returns calculated daily



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## 1 Investment Options

You can choose any combination of the following 12 investment options:

### Pre-mixed options

- > Growth
- > Balanced
- > Moderate
- > Stable
- > Conservative
- > MultiStrategy

### Single-sector options

- > Australian Shares
- > International Shares (Hedged)
- > International Shares (Unhedged)
- > Listed Property
- > Fixed Interest
- > Cash

### Pre-mixed options

Many members like to choose an option which already has a **combination of assets from various investment sectors**. This is called a pre-mixed option.

AGEST has six pre-mixed options, and you can choose to invest some or all of your AGEST account balance in these options.

Each of these pre-mixed options holds a different combination of investments, as determined by the Trustee. Because each option holds different investments, their investment returns will differ.

### Single-sector options

If you want to choose your own mix of investments – a **'do-it-yourself'** approach – then single-sector options may suit you.

Single-sector options only cover assets in one investment sector, and the name of each option tells you the relevant sector.

AGEST has six single-sector options, and you can choose to invest some or all of your AGEST account balance in these options. Just like the pre-mixed options, each of these single-sector options holds different investments, so their investment returns will differ.

### Choosing investment options that best suit your needs

The choice that's right for you will depend on your own circumstances.

To start with, think about how old you are, how long before you intend to start using your super, and your attitude to risk. Can you afford to bear the ups and downs of some investment options for their expected long-term benefits? Or would you prefer a more stable return from year to year?

You may wish to manage your investment risk by investing in more than one investment option – this is called 'diversification', and is often referred to as 'not putting all your eggs in one basket'.

Each AGEST investment option is diversified to some extent itself (eg AGEST has hundreds of shares in the Australian Shares option, and the pre-mixed options are spread across various investment sectors), but you can further diversify your investment by choosing percentages of each option.

## Which investment options produce the best returns?

Investors expect investments like shares and property to produce better long-term returns than fixed interest securities and cash deposits. If this were not the case, they would always put their money into less 'risky' assets, like cash.

If you only invest in assets like shares and property, you may achieve high long-term returns, but there is also a chance that you will experience negative returns.

Assets like fixed interest securities and cash usually provide more stable investment returns over the short term, and have a lower risk than shares and property of losing capital over the long term. However, they usually offer little potential for capital growth.

## Combining investment options

You can invest in more than one option. For example, you could have 10% in Growth, 54% in Stable and 36% in Cash. The choice is yours.

You can make a different investment choice for:

- your existing account balance
- future contributions and deductions
- one-off contributions or rollovers.

For example, you may decide to invest 100% of your existing account in the Balanced option, future contributions and deductions may be split 66% Listed Property and 34% Cash, and a one-off rollover into the fund might be put 100% in Fixed Interest.

So there is plenty of flexibility to meet your needs.

## Watching your mix of investments

If you have chosen a mix of investment options, you should be aware that the proportions will alter over time as each option will have a different rate of investment earnings.

For example, you may have chosen 80% in the Fixed Interest option and 20% in the Cash option. But if Fixed Interest performs better than Cash, your account will accumulate more than 80% in Fixed Interest over time.

So, if you want to maintain your 80/20 ratio, you can adjust your account at any time. Simply use the Investment Choice Application or log into your account at [www.agest.com.au](http://www.agest.com.au)

## Important investment information

The investment information provided in this guide is to assist you in understanding your investment options in AGEST. You should also note the following:

- AGEST's 12 investment options each have an *investment objective, target return, investment timeframe, investment risk and strategic asset allocation (SAA)* as outlined in this document.  
  
These are indicative only and are based on the investment expectations of each investment sector, using long-term assumptions about capital markets as obtained by the Trustee from sources including investment management companies and professional investment advisers.
- Based on these assumptions, the Trustee believes that the strategic asset allocation set by the Trustee is suitable for each investment option, given its investment objective, and that the strategic asset allocation is likely to enable the target return to be achieved over the investment timeframe. However, the future performance of each investment option cannot be guaranteed, as investments can move up and down, sometimes sharply and without warning, over both short and long periods of time. This means that returns can be negative.
- Expectations about the number of years of negative returns in every 20 years are shown for each investment option, based on the above-mentioned long-term assumptions. Actual performance may be different from these assumptions.
- We may not always strictly adhere to our SAA percentages, due to rapid market movements, new investment opportunities and irregular levels of cash flow.
- To ensure that members know how far away from the SAA percentages that each pre-mixed option may move, we have set ranges within which each option will invest. These ranges are outlined in this document.
- We rebalance investments in the pre-mixed options to their SAA percentages by directing cash flow to the most 'underweight' investment sectors.
- You must make an investment choice when commencing a new AGEST Pension account.
- If you do not make an investment choice when a new AGEST Accumulation account is opened for you, your account and any contributions will be invested in the Balanced option.



If you wish to obtain more information about AGEST's investment options, you can contact our Member Services team on **1300 724 378** or visit our website at [www.agest.com.au](http://www.agest.com.au)

You may also wish to contact a professional investment adviser.

## 2 Pre-mixed Investment Options

### Investment Option

#### Growth

##### Investment Objective

Maximise returns over the long term by investing in shares, private equity, infrastructure and property

##### Minimum Target Return

Consumer Price Index (CPI) plus 4.0% per annum after fees and taxes over the investment timeframe

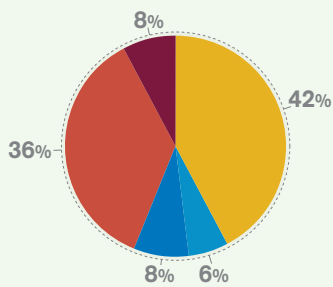
##### Investment Timeframe

7 years +

##### Investment Risk

High  
Negative returns expected in 4 out of every 20 years

##### Strategic Asset Allocation (SAA)



##### SAA RANGE

	%	%
Australian shares	42	30-55
Private equity	6	0-15
Infrastructure	8	5-15
International shares	36	25-45
Unlisted property	8	5-15
Absolute return	0	0
Fixed interest	0	0
Cash	0	0-5

##### SAA RANGE

	%	%
Currency hedging	33	0-100

#### Balanced

##### Investment Objective

Achieve strong returns over the long term by investing in a diversified mix of assets, primarily shares and property

##### Minimum Target Return

Consumer Price Index (CPI) plus 3.5% per annum after fees and taxes over the investment timeframe

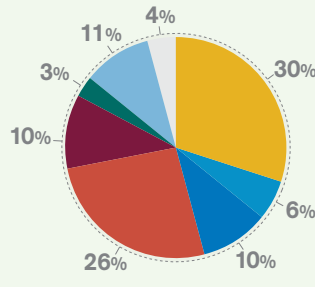
##### Investment Timeframe

6 years +

##### Investment Risk

Medium  
Negative returns expected in 3 out of every 20 years

##### Strategic Asset Allocation (SAA)



##### SAA RANGE

	%	%
Australian shares	30	20-40
Private equity	6	0-15
Infrastructure	10	5-15
International shares	26	15-40
Unlisted property	10	5-20
Absolute return	3	0-10
Fixed interest	11	0-25
Cash	4	0-10

##### SAA RANGE

	%	%
Currency hedging	33	0-100

#### Moderate

##### Investment Objective

Achieve moderate returns by investing in a mix of assets that will minimise the risk of capital loss over the medium term

##### Minimum Target Return

Consumer Price Index (CPI) plus 2.5% per annum after fees and taxes over the investment timeframe

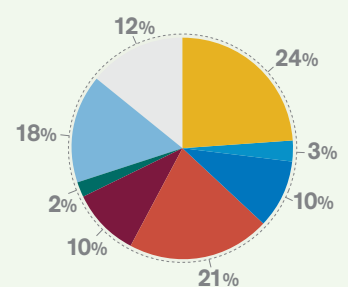
##### Investment Timeframe

5 years +

##### Investment Risk

Medium  
Negative returns expected in 2 out of every 20 years

##### Strategic Asset Allocation (SAA)



##### SAA RANGE

	%	%
Australian shares	24	15-35
Private equity	3	0-10
Infrastructure	10	5-15
International shares	21	10-30
Unlisted property	10	5-15
Absolute return	2	0-5
Fixed interest	18	10-20
Cash	12	10-20

##### SAA RANGE

	%	%
Currency hedging	33	0-100

- AUSTRALIAN SHARES
- PRIVATE EQUITY
- INFRASTRUCTURE
- INTERNATIONAL SHARES
- UNLISTED PROPERTY
- ABSOLUTE RETURN
- FIXED INTEREST
- CASH

The above ranges are indicative only. Actual ranges may be exceeded in some circumstances and the Trustee reserves the right to alter the ranges without notice.

**Investment Option**

**Stable**

**Conservative**

**MultiStrategy**

**Investment Objective**

Achieve stable returns by investing in a mix of assets that will provide low volatility in returns and low risk of capital loss over the medium term

**Investment Objective**

Achieve returns slightly above inflation by mainly investing in fixed interest and cash

**Investment Objective**

Achieve moderate returns by primarily investing in strategies that focus on minimising the risk of loss of capital

**Minimum Target Return**

Consumer Price Index (CPI) plus 2.0% per annum after fees and taxes over the investment timeframe

**Minimum Target Return**

Consumer Price Index (CPI) plus 1.5% per annum after fees and taxes over the investment timeframe

**Minimum Target Return**

Consumer Price Index (CPI) plus 2.5% per annum after fees and taxes over the investment timeframe

**Investment Timeframe**

4 years +

**Investment Timeframe**

3 years +

**Investment Timeframe**

5 years +

**Investment Risk**

Medium/low  
Negative returns expected in 1 out of every 20 years

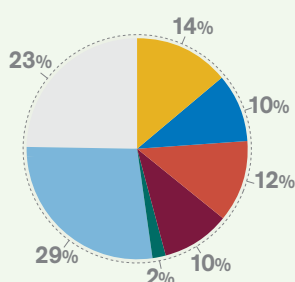
**Investment Risk**

Low  
Negative returns expected in 1 out of every 20 years

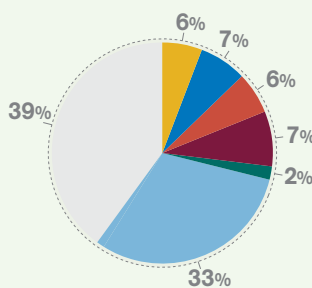
**Investment Risk**

Medium  
Negative returns expected in 2 out of every 20 years

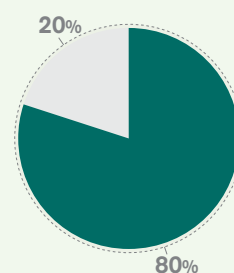
**Strategic Asset Allocation (SAA)**



**Strategic Asset Allocation (SAA)**



**Strategic Asset Allocation (SAA)**



**SAA RANGE**

	%	%
Australian shares	14	10-20
Private equity	0	0
Infrastructure	10	5-15
International shares	12	8-16
Unlisted property	10	5-15
Absolute return	2	0-5
Fixed interest	29	20-30
Cash	23	20-30

**SAA RANGE**

	%	%
Australian shares	6	0-12
Private equity	0	0
Infrastructure	7	0-12
International shares	6	0-12
Unlisted property	7	0-12
Absolute return	2	0-5
Fixed interest	33	25-35
Cash	39	35-45

**SAA RANGE**

	%	%
Australian shares	0	0
Private equity	0	0
Infrastructure	0	0
International shares	0	0
Unlisted property	0	0
Absolute return	80	70-90
Fixed interest	0	0
Cash	20	10-30

**SAA RANGE**

	%	%
Currency hedging	33	0-100

**SAA RANGE**

	%	%
Currency hedging	33	0-100

**SAA RANGE**

	%	%
Currency hedging	33	0-100

- AUSTRALIAN SHARES
- PRIVATE EQUITY
- INFRASTRUCTURE
- INTERNATIONAL SHARES
- UNLISTED PROPERTY
- ABSOLUTE RETURN
- FIXED INTEREST
- CASH

*The above ranges are indicative only. Actual ranges may be exceeded in some circumstances and the Trustee reserves the right to alter the ranges without notice.*





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## 4 Investment Managers

We invest fund assets with investment managers who specialise in particular types of investment, such as shares or property.

With the assistance of investment consultants, AGEST regularly monitors the performance of all investment managers, along with the asset allocation strategy of each investment option.

To find out more about the investment managers employed by AGEST, visit [www.agem.com.au](http://www.agem.com.au)

### Investment returns online

AGEST's unit prices and returns are updated daily at [www.agem.com.au](http://www.agem.com.au)

You can view and customise graphs or view investment return tables and fact sheets for each investment option.

### Consideration of environmental, social and governance (ESG) issues

The Trustee supports environmental, social and governance (ESG) principles and encourages its Directors, staff and service providers to adopt such principles in their daily business activities.

AGEST is a signatory to the UNPRI (United Nations Principles of Responsible Investment), which reflects the view that environmental, social and corporate governance (ESG) issues can affect investment portfolio performance and should be given appropriate consideration by investors.

The Trustee has appointed external investment managers to manage its assets and an external investment consultant to advise it on investment matters. Such appointments are made by the Trustee to firms that have the necessary professional expertise, resources and research capability in investment related matters.

Whilst our investment policy does not directly take ESG, ethical and labour issues into account, the Trustee encourages the fund's investment consultant and all the fund's investment managers to integrate consideration of these issues into their investment analysis and decision-making processes in relation to the investments they manage on behalf of the fund.

Our investment managers take many factors into account when they make an investment. These factors may include ESG, ethical and labour issues, to the extent that those issues affect the profitability of those investments.

### How to make an investment choice

You can change the investment options in which your account is invested, or the investment options for your future transactions, at any time.

Simply complete the *Investment Choice Application* form or log into your account at [www.agem.com.au](http://www.agem.com.au)

Fully completed requests to change investment options will be processed using the unit prices for the relevant investment options for the next business day immediately following receipt of your request by AGEST.

'Business day' means a day when the Australian Stock Exchange is open for trading. Normally, this will be any weekday other than a national public holiday in Australia.

A request to change investment options will be processed based on your account balance at the time that the switch is processed. That is, if there are any unallocated contributions, they will not be switched. However, when they are later processed, they will be allocated according to the investment profile that you have selected for future contributions. We suggest that you check your account online at [www.agem.com.au](http://www.agem.com.au) or call us if you are unsure about the current balance of your account.

We do not currently limit the number of investment switches you can make, nor do we charge a fee for making an investment switch. However, we do reserve the right to change these arrangements in the future. We will give you at least 30 days notice if this is to occur.

If you submit a request to change investment options, it cannot be cancelled. Instead you will have to submit another request with your preferred investment options. If you send us your second request by mail or fax, it is important that you note on that request that it overrides any other request received by us for you on the same day.

If we receive two or more switch requests on the one day, we will process the most recent one, if we can determine this. If we cannot determine which request is the most recent one, we will not process any of them and ask you to resubmit your request. This is necessary to avoid members sending in multiple switches for the one day and then choosing the one that gives them the best outcome.

# AGEST Super

straightforward.simple.fair.

## Contacting your fund

If you have any questions about AGEST, please contact our customer service team.

### Phone

1300 724 378 from 8am to 8pm EST weekdays  
or + 61 2 4298 6011 if calling from overseas

### Fax

1300 664 378  
or + 61 2 4253 6108

### Email

[info@agest.com.au](mailto:info@agest.com.au)

### Website

[www.agest.com.au](http://www.agest.com.au)

### Postal Address

Locked Bag 20 Wollongong NSW 2500

### Useful AGEST Reference Numbers

AGEST SPIN AGE0101AU  
AGEST SFN 2683/539/47  
AGEST ABN 79 781 199 140  
AGEST RSE Registration R1001556  
AGEST Super Pty Ltd AFSL Licence 233 707  
AGEST Super Pty Ltd RSE Licence L0000383



## 1. Your Personal Details

Membership Number

Title (please tick)

Miss  Ms  Mrs  Mr  Dr

First name(s)

Family name

Date of birth

Gender

F  M

Home phone number

Work phone number

Mobile phone number

Email Address (work or home)



Home address



Suburb/Town

State/Territory

Postcode

Country (if not Australia)

Mailing address (if different to Home address)



Suburb/Town

State/Territory

Postcode

Country (if not Australia)

## 2. Your Investment Choice

**Please note** that if you have completed both the Existing Account Balance **AND** Future Contributions sections of this form, any contributions added to your account prior to processing your Existing Account Balance instruction will be included as part of your account balance when that instruction is processed. If that is not your intention for a particular contribution, you should consider using the 'One-off Contribution or Rollover' section over the page.

### (a) Existing Account Balance

Existing Account Balance instructions are not generally processed until two business days after receipt of your instruction, as we need to wait for the appropriate unit prices to be available.

I would like to invest my existing account balance as follows:

#### Pre-mixed options

Growth  %  
Balanced  %  
Moderate  %  
Stable  %  
Conservative  %  
MultiStrategy  %

#### Single-sector options

Australian Shares  %  
International Shares (Hedged)  %  
International Shares (Unhedged)  %  
Listed Property  %  
Fixed Interest  %  
Cash  %

**Total**

**100%**

### (b) Future Contributions

Future Contributions instructions are effective immediately after receipt of your instruction.

**If you do not complete this section, these transactions will be allocated in the same percentages that you have indicated for your Existing Account Balance.**

I would like all future contributions invested as follows:

#### Pre-mixed options

Growth  %  
Balanced  %  
Moderate  %  
Stable  %  
Conservative  %  
MultiStrategy  %

#### Single-sector options

Australian Shares  %  
International Shares (Hedged)  %  
International Shares (Unhedged)  %  
Listed Property  %  
Fixed Interest  %  
Cash  %

**Total**

**100%**

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