How we invest your money

Equip MyFuture – Equip Corporate
1 April 2020

The information in this guide forms part of the Product Disclosure Statement of Equip MyFuture dated 1 April 2020, Equip Corporate (Rio Tinto, QAL, Yancoal, Glencore, Kestrel) dated 1 April 2020, and Equip Corporate (Elgas, DST, SS&C, Dow) dated 1 October 2019.

Investment options and performance
We have always taken a long term view of investing and use a combination of in-house management and external specialists to manage our investment portfolios.
You can obtain the most recent investment returns and daily unit prices from our website or request information from our Helpline.

Investment principles
Before you select any investment options, 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 advice. It has been prepared without taking into account your investment objectives, personal circumstances, and 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.

Your investment choice
You can invest in one of our six Diversified options, each with asset allocations determined by us or, if it suits your investment plan, you can choose any combination of our Diversified and/or Sector Specific investment options.

The default option
As a new member, contributions made to your account will be invested in our default option, Equip MySuper, if you don’t make a choice.
You can switch your options at any time by logging into the secure website, by completing the Change your investments form, or by calling Helpline on 1800 682 626.

Product Disclosure Statement (PDS)
The information in this “additional guide” (Guide) forms part of the Product Disclosure Statement of Equip MyFuture and Equip Corporate. The final authority on any issue relating to Equip is the Trust Deed governing Equip, any applicable Participation Agreement and the relevant insurance policy.
This Guide is issued by the Trustee and contains a summary only. It is for general information and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, you should also seek professional financial advice. Where tax information is included you should consider obtaining personal taxation advice. This Guide was up to date at the time when it was prepared. Some information in this Guide is subject to change from time to time. If a change does not adversely affect you, we may update it by insertion on our website at www.equipsuper.com.au and/or inclusion in the next available edition of our newsletter. Any updated information may be found by logging into the members’ area of our website or calling our Helpline 1800 682 626. A paper copy of updated information will be given to you without charge on request.

Togethr Trustees Pty Ltd ABN 64 006 964 049, AFSL 246383 (“the Trustee”) is the Trustee of the Equipsuper Superannuation Fund ABN 33 813 823 017 (“Equip”).
Your strategy
An important part of successful 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 money, you should seek advice on this from a licensed financial advisor.

Switching
You can switch between investment options via our website or by using our Change your investments form available from our website or Helpline. You can switch some or all of your account balance (by nominating either percentages or dollar amounts of your account balance), and/or future contributions.

If your investment switch is received by 4 p.m. AEST (allow for daylight saving) on a business day, your switch will be at the unit prices calculated at the end of that business day (refer to “Processing”). The unit price is declared on the next business day.

Transactions processed within this deadline will usually be reflected in your account balances on the website by 10 a.m. on the second business day after the investment switch.

Frequent switching between investment options and trying to second-guess the market can be risky. You should switch only after a thorough review of your long-term investment strategy. We recommend you obtain financial advice before making any decisions about switching between investment options.

Derivatives
Derivatives are investments where investment values are based on those of an underlying physical security. For instance, the value of a share option is based on the price of the underlying share. Equip permits the selective use of derivatives as part of its investment strategy in any of its 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 Equip, your money buys a number of units in each of your nominated or default investment options.

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) and deductions for investment fees, costs and taxes. These movements are ultimately reflected in your account balance.

Our latest unit prices are usually updated on our website by 10 a.m. on the second business day after the business day on which they are calculated. The publication of unit prices might be delayed as a consequence of abnormal market conditions or system failures. In such circumstances, Equip will use its best endeavours to publish unit prices as soon as possible.

The unit prices are calculated after an estimate of investment fees and taxes are taken out. These estimates will be adjusted as information becomes available for the calculation of future prices.

When you exit from Equip, your units are sold at the applicable unit prices available on the date your transaction is processed.

What happens if we make a mistake when calculating unit prices?
Although we have controls in place to check for unit pricing errors, occasionally they may occur. Equip follows industry practice if an error is made. Interested members can view FSC Standard No.17 on the Financial Services Council website at fsc.org.au

Sustainable Responsible Investment Option
Equip members can access Sustainable Responsible Investments (SRI) via a Sector Specific option that almost entirely invests in Australian shares.* The investments of the option comprise a portfolio run by Equip which replicates the Dow Jones Sustainability Index Australia**, an index established and tracked by RobecoSAM. The option utilises the Dow Jones Sustainability Index Australia, a float-adjusted market capitalisation weighted index which is comprised of approximately 70 companies selected by RobecoSAM from a universe of approximately 200 of the largest Australian listed companies.

The companies selected by RobecoSAM for inclusion in the Dow Jones Sustainability Index Australia are assessed as leading their industry peers in terms of sustainable business practices. The Dow Jones Sustainability Index Australia is designed to create a portfolio that captures the performance of Australia’s sustainability leaders with characteristics similar to those of the broader Australian equity market (as represented by the S&P/ASX 200 Index).

* Note that the Diversified options do not include the Sustainable Responsible Investments option. Rather, the Diversified options use the Australian Shares option to gain Australian equity exposure.

** The index will vary over time due to a range of influences including but not limited to changes made by RobecoSAM to the corporate sustainability assessment and due to other changes that Australian equity portfolios are typically subject to, such as market movements and company related events. In addition, there may be modest variations between the Equip portfolio and the Dow Jones Sustainability Index Australia due to a number of influences, such as rounding and timing differences.

The Dow Jones Sustainability Australia Index is a joint product of S&P Dow Jones Indices LLC and/or its affiliates and RobecoSAM AG (“RobecoSAM”), and has been licensed for use by Togethr Trustees Pty Ltd. S&P is a registered trademark of Standard & Poor’s Financial Services LLC (“S&P”) and Dow Jones(R) is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”). “RobecoSAM” is a registered trademark of RobecoSAM AG. The trademarks have been licensed to S&P Dow Jones Indices LLC and its affiliates and have been sublicensed for use for certain purposes by Togethr Trustees Pty Ltd. Togethr Trustees Pty Ltd’s product(s) are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P, RobecoSAM or any of their respective affiliates (collectively, “S&P Dow Jones Indices”). S&P Dow Jones Indices make no representation or warranty, express or implied, to the owners of the Togethr Trustees Pty Ltd’s product(s) or any member of the public regarding the advisability of investing in securities generally or in Togethr Trustees Pty Ltd’s Product(s) particularly or the ability of the Dow Jones Sustainability Australia Index to track general market performance.

How the Dow Jones Sustainability Index Australia works
The Dow Jones Sustainability Index Australia includes leading stocks in terms of sustainable business practices from approximately 21 RobecoSAM Dow Jones Sustainability Index Australia industry sectors. The Dow Jones Sustainability Index Australia is reviewed annually and rebalanced quarterly to ensure that the index composition accurately represents the top 30% of the leading sustainable Australian companies in each of the 21 Dow Jones Sustainability Index Australia sectors respectively. Most companies have a primary listing on the Australian Securities Exchange (ASX) but others may be included if they have adequate liquidity on the ASX and have a significant part of their business operations in Australia.
The process used by RobecoSAM to select companies for the Dow Jones Sustainability Index Australia is called the corporate sustainability assessment. This is a proprietary methodology designed to score companies in terms of corporate sustainability with a focus on their ranking within industry sectors. RobecoSAM carries out the corporate sustainability assessment by asking ASX listed companies (excluding investment companies) to complete a questionnaire and provide supporting documentation. RobecoSAM also uses publicly available information and data and carries out a media and stakeholder analysis. The media and stakeholder analysis involves RobecoSAM analysts reviewing final assessments and scores to determine if they are fair and accurate given more recent developments and news.

The criteria and weightings which RobecoSAM uses to assess and rate companies in terms of corporate sustainability include both general and industry specific criteria, and cover the economic, environmental and social or labour dimensions outlined below:

- **Economic**
  Economic criteria not only reflect the financial robustness, strategic planning processes and governance but also how a company adapts to changing market demands, sustainability trends and macro-economic driving forces. These criteria measure a company's ability to make use of the economic benefits from sustainability opportunities and risks.

- **Environmental**
  Environmental criteria cover the environmental management and performance of a company. These criteria measure a company’s efforts to reduce and avoid environmental pollution.

- **Social and labour**
  Social criteria cover both internal (employee relations and labour practices) and external (stakeholder and community relations) aspects. Social criteria are based on worldwide minimum standards and best practices and also take into account the manner in which companies deal with human rights issues internally, in their supply chain and in the communities in which they operate.

**Weighting and portfolio construction**

The weighting given to economic, environmental and social considerations can vary substantially over time and across industries. Based on major global sustainability challenges identified by RobecoSAM’s analysts, general criteria relating to standard management practices and performance measures, such as corporate governance, human capital development and risk and crisis management, are defined and applied to each of the sectors. The general criteria account for approximately 40% to 50% of the assessment, depending on the sector. At least 50% of the questionnaire covers industry-specific risks and opportunities that focus on economic, environmental and social challenges and trends that are particularly relevant to companies within that industry.

Based on RobecoSAM’s corporate sustainability assessments, companies are ranked within their industry group and selected for the Dow Jones Sustainability Index Australia, if they are among the sustainability leaders in their field.

**Managing your investments**

Equip’s Investment Committee, comprised of directors and external advisors, sets the strategy and manages our investments.

External investment managers are used to provide members with the advantages of different investment management styles.

Different styles enable us to identify and take advantage of diverse opportunities with the potential to enhance returns to members and to manage risk.

You can find a list of our current investment managers on our website [www.equipsuper.com.au](http://www.equipsuper.com.au).
Understanding each investment option

Benchmark allocations and permitted ranges

The pie charts describing asset allocations set out here are based on benchmark (or long-term, strategic) allocations for the Diversified investment options.

Actual asset allocations may vary from the benchmark allocations within permitted ranges from time to time depending on market movements, cash flows and tactical investment decisions.

In particular, we may alter asset allocations within the permitted ranges to manage investments through adverse or abnormal market conditions.

Comparing performance

You can obtain the most recent investment returns, daily unit prices and information on our portfolio holdings from our website, equipsuper.com.au or from our Helpline. Investment performance for accumulation accounts is net of tax, investment expenses and other indirect investment costs.

You can use this information to compare Equip’s investment performance against other funds. However, if you are comparing our performance with other funds, it is important to ensure you take into account the underlying asset allocations, the investment related tax expenses/benefits and the objectives and management styles for the investment options you are comparing. Any variation in these factors can result in significant differences in the performance of the investment options you are considering.

You should also be aware that past performance is no guarantee of future performance.

Investment objectives

The investment objectives for the Diversified 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 ‘basket’ of goods and services.

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

Apart from the Sector Specific SRI option, Equip does not take into account any specific ethical, social, labour standards or environmental considerations in making the investment options available to members.

Strategy

While the investment objective states the investment aim, the strategy provided for each option is a guide to how we intend to go about achieving the objective.

You should note that these objectives are not predictions or forecasts, but merely represent a performance measure for each strategy.
Our Diversified options

Our Diversified investment options offer a blend of asset allocations applicable to different investment goals and tolerance to risk. You have a choice of six different options: Growth Plus, Growth, Balanced Growth, Equip MySuper, Balanced and Conservative.

Please note that if you are a new member and don’t make an investment choice, your account will be invested in the Equip default option, Equip MySuper.

### Growth Plus

**Investment objective**
Achieve a net return of at least 4.5% p.a. above inflation (measured by CPI) over a rolling 10 year period.

**Strategy**
Invest primarily in Australian and overseas shares, while providing some exposure to property and alternative assets. These are growth investments, with the property allocation providing some diversification from shares.

**Benchmark allocations**
Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth assets</td>
<td>85–100%</td>
<td>100%</td>
</tr>
<tr>
<td>Australian shares</td>
<td>33–53%</td>
<td>43%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>38–58%</td>
<td>48%</td>
</tr>
<tr>
<td>Property</td>
<td>0–13%</td>
<td>3%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0–13%</td>
<td>3%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0–13%</td>
<td>3%</td>
</tr>
<tr>
<td>Defensive assets</td>
<td>0–15%</td>
<td>0%</td>
</tr>
<tr>
<td>Fixed interest</td>
<td>0–10%</td>
<td>0%</td>
</tr>
<tr>
<td>Defensive alternatives</td>
<td>0–10%</td>
<td>0%</td>
</tr>
<tr>
<td>Cash</td>
<td>0–10%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested timeframe to invest in this product is long term (7 to 14 years). Members should hold the investment for a minimum of 7 years.

**Who should invest in this option?**
This option is designed 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.

**Standard risk measure**
The risk level of this option is high, with a likelihood of negative returns occurring 5.3 years in a 20 year period.

### Growth

**Investment objective**
Achieve a net return of at least 4% p.a. above inflation (measured by CPI) over a rolling 10 year period.

**Strategy**
Invest primarily in Australian and overseas shares, while providing some exposure to property and defensive assets. These are growth investments, with the property allocation providing some diversification from shares.

**Benchmark allocations**
Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth assets</td>
<td>70–100%</td>
<td>100%</td>
</tr>
<tr>
<td>Australian shares</td>
<td>23–43%</td>
<td>33%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>27–47%</td>
<td>37%</td>
</tr>
<tr>
<td>Property</td>
<td>0–15%</td>
<td>5%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0–15%</td>
<td>5%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0–15%</td>
<td>5%</td>
</tr>
<tr>
<td>Defensive assets</td>
<td>0–30%</td>
<td>15%</td>
</tr>
<tr>
<td>Fixed interest</td>
<td>0–17%</td>
<td>7%</td>
</tr>
<tr>
<td>Defensive alternatives</td>
<td>0–15%</td>
<td>5%</td>
</tr>
<tr>
<td>Cash</td>
<td>0–13%</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested timeframe to invest in this product is long term (6 to 12 years). Members should hold the investment for a minimum of 6 years.

**Who should invest in this option?**
This option is designed 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.

**Standard risk measure**
The risk level of this option is high, with a likelihood of negative returns occurring 4.6 years in a 20 year period.
**Balanced Growth**

**Investment objective**
Achieve a net return of at least 3.5% p.a. above inflation (measured by CPI) over a rolling 10 year period.

**Strategy**
Invest mainly in growth assets such as shares and infrastructure, which are expected to earn higher returns over the long term. Invest the balance in more stable assets like fixed interest securities and other defensive assets.

**Benchmark allocations**
Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth assets</td>
<td>55–85%</td>
<td>70%</td>
</tr>
<tr>
<td>Australian shares</td>
<td>14-34%</td>
<td>24%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>17-37%</td>
<td>27%</td>
</tr>
<tr>
<td>Property</td>
<td>0-17%</td>
<td>7%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0-17%</td>
<td>7%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0-15%</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Defensive assets</th>
<th>15-45%</th>
<th>30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed interest</td>
<td>7-27%</td>
<td>17%</td>
</tr>
<tr>
<td>Defensive alternatives</td>
<td>0-18%</td>
<td>8%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-15%</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested time frame to invest in this product is long term (5 to 10 years). Members should hold the investment for a minimum of 5 years.

**Who should invest in this option?**
This option is designed for members who want a balance between risk and return but who are prepared to accept a more aggressive asset allocation than the Balanced option.

**Standard risk measure**
The risk level of this option is medium to high, with a likelihood of negative returns occurring 3.6 years in a 20 year period.

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**Equip MySuper** *(the default option)*

**Investment objective**
Achieve a net return of at least 3.5% p.a. above inflation (measured by CPI) over a rolling 10 year period.

**Strategy**
Invest mainly in shares and property, which are expected to earn higher returns over the long term. Invest the balance in more stable assets like fixed interest securities.

**Benchmark allocations**
Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth assets</td>
<td>40–85%</td>
<td>70%</td>
</tr>
<tr>
<td>Australian shares</td>
<td>10-35%</td>
<td>24%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>7-37%</td>
<td>27%</td>
</tr>
<tr>
<td>Property</td>
<td>0-20%</td>
<td>7%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0-17%</td>
<td>7%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0-15%</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Defensive assets</th>
<th>15-60%</th>
<th>30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed interest</td>
<td>0-35%</td>
<td>17%</td>
</tr>
<tr>
<td>Defensive alternatives</td>
<td>0-30%</td>
<td>8%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-30%</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested time frame to invest in this product is long term (5 to 10 years). Members should hold the investment for a minimum of 5 years.

**Who should invest in this option?**
This option is designed for members who want a balance between risk and return, but who are prepared to accept a more aggressive asset allocation than Equip’s more defensive Diversified options.

**Standard risk measure**
The risk level of this option is medium to high, with a likelihood of negative returns occurring 3.6 years in a 20 year period.
**Conservative**

**Investment objective**
Achieve a net return of at least 1.5% p.a. above inflation (measured by CPI) over a rolling 5 year period.

**Strategy**
Involve mainly in fixed interest securities and cash, which are expected to deliver stable returns over the long term. Invest the balance in shares and property.

**Benchmark allocations**
Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth assets</td>
<td>15–45%</td>
<td>30%</td>
</tr>
<tr>
<td>Australian shares</td>
<td>0-18%</td>
<td>8%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>0-20%</td>
<td>4%</td>
</tr>
<tr>
<td>Property</td>
<td>0-14%</td>
<td>4%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0-14%</td>
<td>4%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0-15%</td>
<td>4%</td>
</tr>
<tr>
<td>Fixed interest</td>
<td>15-35%</td>
<td>25%</td>
</tr>
<tr>
<td>Defensive alternatives</td>
<td>0-20%</td>
<td>10%</td>
</tr>
<tr>
<td>Cash</td>
<td>5-25%</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested time frame to invest in this product is medium term (4 to 8 years). Members should hold the investment for a minimum of 4 years.

**Who should invest in this option?**
This option is designed for members who want a balance between risk and return.

**Standard risk measure**
The risk level of this option is medium, with a likelihood of negative returns occurring 2.6 years in a 20 year period.

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**Balanced**

**Investment objective**
Achieve a net return of at least 2.5% p.a. above inflation (measured by CPI) over a rolling 5 year period.

**Strategy**
Provides an even distribution between growth and defensive assets. The aim is to provide a balance of capital growth with reduced volatility.

**Benchmark allocations**
Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth assets</td>
<td>35–65%</td>
<td>50%</td>
</tr>
<tr>
<td>Australian shares</td>
<td>10-35%</td>
<td>16%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>7-37%</td>
<td>19%</td>
</tr>
<tr>
<td>Property</td>
<td>0-20%</td>
<td>5%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0-17%</td>
<td>5%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0-15%</td>
<td>5%</td>
</tr>
<tr>
<td>Fixed interest</td>
<td>15-35%</td>
<td>25%</td>
</tr>
<tr>
<td>Defensive alternatives</td>
<td>0-20%</td>
<td>10%</td>
</tr>
<tr>
<td>Cash</td>
<td>5-25%</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested time frame to invest in this product is short term (3 to 6 years). Members should hold the investment for a minimum of 3 years.

**Who should invest in this option?**
This option is designed for members who wish to select a less aggressive asset allocation in exchange for more stability and security.

**Standard risk measure**
The risk level of this option is low, with a likelihood of negative returns occurring 0.9 years in a 20 year period.
Sector specific options

Our Sector Specific options

Sector Specific options give you the ability to invest solely in an individual asset class, or choose your own asset allocation to create a diversified portfolio. You can invest in a mix of Sector Specific and Diversified options.

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

These options aim to remain fully invested; however, due to timing differences and the need to generate cash flow requirements for member transactions, they may from time to time hold some cash and cash equivalents.

Australian Shares

Investment objective
This option aims to outperform its benchmark, the S&P/ASX Accumulation 300 Index, over a rolling 5 year period.

Strategy
Invest in Australian companies, usually listed on the Australian Stock Exchange (ASX).

Benchmark allocations

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian shares</td>
<td>90-100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Minimum investment timeframe
The minimum suggested timeframe to invest in this product is long term (7 to 14 years). Members should hold the investment for a minimum of 7 years.

Who should invest in this option?
This option is designed 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.

Standard risk measure
The risk level of this option is very high, with a likelihood of negative returns occurring in 6.2 years in a 20 year period.

Overseas Shares

Investment objective
This option aims to outperform its benchmark, the MSCI World ex Australia Index (70% unhedged / 30% hedged), over a rolling 5 year period.

Strategy
Invest in overseas companies listed on one or more overseas stock exchanges.

Benchmark allocations

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas shares</td>
<td>90-100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Minimum investment timeframe
The minimum suggested timeframe to invest in this product is long term (7 to 14 years). Members should hold the investment for a minimum of 7 years.

Who should invest in this option?
This option is designed 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.

Standard risk measure
The risk level of this option is high, with a likelihood of negative returns occurring in 5.5 years in a 20 year period.
Sustainable Responsible Investments

**Investment objective**
This option aims to outperform its benchmark, the Sustainable Asset Management’s Dow Jones Sustainability Index Australia, over a rolling 5 year period.

**Strategy**
Invest in Australian companies, usually listed on the Australian Stock Exchange (ASX), subject to SRI criteria.

**Benchmark allocations**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRI</td>
<td>90-100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested time frame to invest in this product is long term (7 to 14 years). Members should hold the investment for a minimum of 7 years.

**Who should invest in this option?**
This option is designed 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.

**Standard risk measure**
The risk level of this option is very high, with a likelihood of negative returns occurring in 6.2 years in a 20 year period.

Property

**Investment objective**
This option aims to outperform its benchmark, a blend of the Mercer Australia Unlisted Property Index (80%) and the FTSE EPRA/NAREIT Global Index (20%, hedged), over a rolling 5 year period.

**Strategy**
Invest in Australian and overseas listed and unlisted commercial property trusts.

**Benchmark allocations**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>90-100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested time frame to invest in this product is long term (5 to 10 years). Members should hold the investment for a minimum of 5 years.

**Who should invest in this option?**
This option is designed for members who wish to select a moderately aggressive asset allocation, which increases the risk of negative returns.

**Standard risk measure**
The risk level of this option is medium to high, with a likelihood of negative returns occurring in 3.5 years in a 20 year period.
**Cash**

**Investment objective**
This option aims to outperform its benchmark, the Bloomberg AusBond Bank Bill Index.

**Strategy**
Invest cash in money market securities such as bank term deposits and bank bills.

**Benchmark allocations**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The suggested time frame to invest in this product is short term (0 to 3 years). There is no minimum period suggested for holding this option.

**Who should invest in this option?**
This option is designed for members who wish to select a very defensive asset allocation with a very low chance of a negative return and expected stable but lower returns over the long term. The risk level of this option is very low, negative returns are not expected.

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**Fixed Interest**

**Investment objective**
This option aims to outperform its benchmark, a mix of the Bloomberg AusBond All Maturities Composite Bond Index (50%) and the Bloomberg Barclays Global Aggregate Index (50%), hedged to Australian dollars, over a rolling 5 year period.

**Strategy**
Invest in interest bearing bonds and some indexed bonds in Australia and overseas.

**Benchmark allocations**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Interest</td>
<td>90-100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested time frame to invest in this product is long term (5 to 10 years). Members should hold the investment for a minimum of 5 years.

**Who should invest in this option?**
This option is designed for members who wish to select a relatively defensive asset allocation with more stability and security than more aggressive asset allocations. This option is expected to generate modest returns over time, with a small but not zero chance of negative return in any 12 month period, and is considered to be more aggressive than cash.

**Standard risk measure**
The risk level of this option is low to medium, with a likelihood of negative returns occurring in 1.8 years in a 20 year period.
Balancing risk and return

Risks

There is 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 a host of external factors such as investment market fluctuations, political and economic changes, natural disasters, pandemics and man-made influences such as outbreaks of war or terrorist acts.

Clearly, there is little you can do about external forces affecting your investments, but you strongly influence outcomes through your choice of investment options.

As a rule of thumb, some growth investments that carry a greater risk may deliver higher returns over the long term. However, they can also produce negative results, particularly over shorter terms. As such, extended investment periods may be appropriate for investors with significant exposure to shares and property.

Returns

We present investment earnings as net returns in our reports. This is the return after tax and investment fees are accounted for. When you compare Equip with other funds, you should ensure that their returns are after tax and investment fees are taken out.

Refer to “Diversified options and performance” and “Sector Specific options and performance” for information on the returns associated with our investment options.

The risk and return for Diversified and Sector Specific options

For Diversified options, you should consider the relative influence of the predominant asset classes in which they are invested. For example, in Balanced Growth, the risk is primarily influenced by the growth assets, shares and property.

When you invest in Sector Specific options, you are exposed to the performance of specific asset classes. If you choose Sector Specific options, we suggest that you consider diversifying your investment and spreading your risk. You should review your asset allocation at least once a year to ensure it is still consistent with your objectives.

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

Get advice

Everyone’s tolerance to risk is different and often changes as we progress through life. If you are unfamiliar with the behaviour of investment markets and the economic influences on them, you should seek the advice of a licensed financial advisor.

A licensed financial advisor can assist you to identify your goals and determine the right balance of risk and return for you in the context of your personal circumstances and goals.

Shares

Investors acquire an ownership stake in a company via shares (sometimes also called equities). Shares are usually listed on stock exchanges. For example, Australian shares are listed on the Australian Stock Exchange (ASX); shares in the United States may be listed on a number of exchanges, such as the New York Stock Exchange or the NASDAQ; and so on.

The expected return of shares is higher than the returns generated by some other asset classes, but the risk associated with the asset class is greater.

Equip invests its shares in two distinct buckets: Australian shares and shares domiciled overseas. Overseas shares open up a wide range of investment opportunities. Australian shares make up only about 3% of the worldwide share market. Investing in overseas share markets allows us to broadly diversify our share holdings across companies, sectors and countries. A large proportion of Equip’s overseas shares portfolio is invested in the world’s largest share market, the US. We also have some investments in so-called emerging markets, such as in Asia and South America.

An attractive feature of Australian shares is that the Fund receives franking credits from some of its share investments. Franking credits are tax credits available to investors for income earned in the form of fully franked dividends by listed companies. If a dividend is franked, it means it has been paid out of the company’s retained earnings after tax has been paid. For investments in overseas shares, the Fund does not get any franking credits, but may receive some withholding tax credits.

In the Diversified options, you are invested in both Australian and overseas shares. Within the Sector Specific options, you can invest in Australian Shares only, or you can get exposure to the international share markets by investing in the Overseas Shares option.

Risk

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

The long-term upward trend for share markets is due to the growth in the capital value of companies. The risk, of course, is that some companies will fall out of favour or disappear altogether, which is why we invest in a number of companies and industry sectors.

An added risk when investing in international shares is currency fluctuations. If you are investing in overseas markets in Australian dollars, the value of your investment will decline if the Australian dollar’s value increases substantially against other currencies. Of course, the opposite is true if the Australian dollar’s value declines. To offset some of this risk, we may partially “hedge” against currency fluctuations, depending on our assessment of likely currency movements.

Because of the long-term growth cycle of shares, it is prudent to plan to hold such investments for extended periods of time. You may experience some years of zero or even negative returns in shares but, if you can invest over time, they will generally deliver a positive return.
Property
This asset class involves investing in properties, such as shopping centres, office buildings and factories.

The costs involved in developing and purchasing prime real estate are substantial, and successfully managing it requires yet another set of skills. Thus rather than owning real estate directly, we buy exposure to the asset class through investment trusts, when we believe these have the potential to deliver good long-term investment returns. The property trusts may be listed or unlisted and may include both Australian and international investments.

An advantage of using trusts for property investment is that it is generally easier to sell shares or units to other investors, rather than having to sell actual buildings. Furthermore, trusts allow us to further diversify our exposure to the asset class.

If you invest in any of the Diversified options you are invested in property, you can also choose it as a Sector-Specific option.

Risk
Some people often get the sense that property prices never go down. We feel comfortable with ‘bricks and mortar’ investments because, among other things, they include our 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 shares, the long-term trend in 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.

We hedge any currency exposure we may have through our overseas property holdings fully back into the Australian dollar, so there is no currency risk.

Infrastructure
Infrastructure provides essential services to the public, ensuring economies work smoothly. Infrastructure encompasses a broad range of assets, such as toll roads, airports, water utilities and power generation facilities, pipelines, schools and health care facilities, to name a few.

Infrastructure assets tend to have a long lifespan and are thus generally well suited for long-term investors, such as super funds. Returns from infrastructure are generated from both capital growth of the assets as well as the long-term income streams derived from them.

Equip can invest in infrastructure, both directly and via unlisted and listed investment trusts. With infrastructure, we can further diversify the risk and return of our investment options.

All Diversified options with the exception of the Conservative option have a benchmark allocation to infrastructure.

Risk
As we do not offer direct investments for members in infrastructure, the risks associated with such assets are captured in the risk profiles of the Diversified investment options.

Infrastructure assets are subject to some price volatility. Equip prefers to invest in assets which are relatively mature and have actual cash flows.

Fixed interest
Fixed interest securities, also called fixed income or bonds, are issued by federal and state governments, as well as by 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 fixed interest investments include both Australian and overseas bonds. They may also include indexed bonds, which are similar to other diversified fixed interest investments except that their returns are increased (indexed) each year by the amount of inflation. They offer good insurance against a rise in inflation with similar risk and return to fixed interest.

Fixed interest is an integral part of the strategic allocation of all the Diversified investment options, bar Growth Plus, and you can also invest in a Sector Specific option.

Risk
The bond market is a complex trading environment, driven by economic factors, investor sentiment towards growth assets like shares and interest rate movements. In a rising interest rate environment, bonds can lose some of their capital value.

Over the long term, fixed interest delivers lower returns than equities and property. However, there are times when the regular income payments that fixed interest provides make this type of investment attractive.

We hedge any currency exposure we may have through overseas fixed interest securities fully back into the Australian dollar, so there is no currency risk.

Alternatives
Alternatives are assets that allow our investment managers to take advantage of special investment opportunities that may arise. Equip has divided the alternatives asset class into growth alternatives and defensive alternatives.

Growth alternatives include investments such as private equity, multi-asset portfolios and hedge funds. Defensive alternatives include credit portfolios.

Risk
The risks associated with well-selected alternatives depend on the type of investment. As we do not currently offer direct investments for members in the alternatives asset classes, their risk profiles are captured within our Diversified investment options.

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.

All Diversified options have a benchmark allocation to cash, with the exception of Growth Plus. You can also invest in a Sector Specific option.

Risk
The risk associated with cash investments (money in the bank and term deposits) is generally minimal, although the investment upside is also minimal. Cash is a safe haven in times of economic uncertainty, occasionally you may wish to preserve capital by allocating some of your super to cash.
SuperRatings has awarded Equip a platinum choice rating, the top rating given to only the best superannuation products. Go to superratings.com.au for the full rating criteria.