

Reference guide

Your investment options

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The nuts and bolts of investing

A basic investment principle is that to expect a higher return you should be prepared to take more risk. If you want to reduce your risk, you should be prepared to expect a lower return. Each asset class has its own risk and return characteristics.

- **Shares** represent part ownership of a company. Owning shares can provide both capital growth and income in the form of dividends. Listed shares are traded on stock exchanges and prices can move considerably and frequently over the course of a day. Investments in shares offer the potential for higher returns over the longer term compared to cash, fixed interest or property. Shares are generally considered riskier than most other investment types, and some shares are riskier than others.
- **Property trusts** and managed property funds can invest in commercial, retail, industrial, residential and hotel real estate. Property investments offer returns based on the value of real properties and rental income streams available from tenancy arrangements on those properties. Property trusts can either be listed on a stock exchange or unlisted. Listed trusts tend to have greater liquidity. Returns tend to be cyclical but property trusts offer the potential for higher returns over the longer term than cash and fixed interest.

Exchange-traded funds (ETFs)

ETFs offer access to a broad range of asset classes in local and overseas markets, and many aim to track the performance of a specific index such as the S&P/ASX 200 Accumulation Index. ETFs are convenient if you are looking for relatively low-cost, ready-made diversification.

- **Alternative assets** include market-neutral funds, hedge funds, private equity, commodities and infrastructure. Hedge funds may use specialist investment strategies such as short-selling and arbitrage. Infrastructure investments include utilities and other essential services such as motorways, water distribution and oil pipelines. Alternative assets may be useful to diversify a portfolio because the timing and pattern of returns often differs from traditional assets and some alternatives may be relatively stable across economic and investment market cycles. Some alternative investments are unlisted and therefore less liquid than listed investments.
- **Fixed interest** investments are debt securities issued by governments, banks or corporations. They pay interest at specified dates and repay the principal amount at maturity. Fixed interest investments carry the risk that the issuer will not be able to meet their payment commitments. This is known as credit risk, and some issuers such as companies may have a higher risk of default on payment than, for example, the Australian Government. This asset class also carries interest rate risk, which is the risk that interest rates may increase after the fixed interest instrument has been purchased. An increase in interest rates would typically decrease the market value of the portfolio. Conversely, a decrease in interest rates would increase the market value. Over the longer term, returns from fixed interest investments are generally lower than shares and property, but higher than cash.
- **Cash** is typically defined as short-term fixed interest securities with a maturity date of less than one year. Cash investments offer a low risk of capital loss, but generally lower returns than most other asset classes. Term deposits are usually classified as cash.

Diversification

You've probably heard the expression 'Don't put all your eggs in one basket'. It's often used to describe the concept of diversification. For your super, this means spreading your investments across different asset classes, fund managers and investment strategies. The purpose of diversification is to reduce the overall risk of your investment portfolio.

A diversified portfolio typically falls into one of three categories:

- **Growth-oriented**—typically invests mainly in shares and property which are diversified across geographies and industries and are expected to generate higher capital growth over the longer term than defensive assets. The portfolio has a higher risk of capital loss than defensive strategies. It may also provide some income in the form of dividends from shares and rent from property. The portfolio may also contain some alternative assets.
- **Moderate**—invests in a mix of growth-oriented and defensive-oriented strategies aiming to deliver a moderate return with a moderate level of risk.
- **Defensively-oriented**—invests mainly in cash, fixed interest and perhaps some alternative assets and growth assets. The portfolio has a lower risk of capital loss than growth-oriented strategies. Interest payments from fixed interest securities would provide steady income streams.

The fund offers a range of investment options (ie our pre-mixed and sector options) to help you to diversify your portfolio.

When building your pension portfolio, you may want some advice. Speak with your adviser or call us on **1300 880 588** and we can put you in touch with one.

Environmental, social and governance factors (ESG) in our investment policy

Generally the trustee doesn't take environmental, social and governance factors into account when selecting the investment options for the fund.

Inflation and how it is measured

Inflation is generally described as the increase in prices over time. The most common measure of inflation is the rate of change in the Consumer Price Index (CPI)* which is published by the Australian Bureau of Statistics (ABS).

The CPI measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of general household expenses (eg groceries, clothing, transport, and housing expenses).

The pre-mixed investment options described in this guide aim to provide investment returns exceeding their inflation-based targets.

* We use the Consumer Price Index (All Groups) for the eight capital cities (ABS 6401.0)

Different investment styles

Our range of investment options consists of both index and active management styles.

Index fund managers aim to track the risk and return characteristics of a benchmark index. For example, our *International Shares – Index* option is designed to closely match the performance of the *MSCI World (ex Australia) Index*. Index managers typically charge less than active managers.

Other fund managers seek to use research and their portfolio construction process to outperform a specific market index or to meet an investment objective. There is a risk, especially over shorter periods, that such managers may underperform the relevant market index.

Fund managers seeking to offer greater performance than index managers typically charge more as they incur higher costs. From an investor's perspective, the higher fees are compensated by the expectation of performance better than the market index.

Standard risk measure

To assist you in choosing how to invest your money the trustee uses APRA's standard risk measure to rate the level of risk for each of our investment options. You can use these risk ratings to compare investment options, both within the fund and across other super funds. There are seven risk bands:

Risk band	Risk label	Estimated number of negative returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The standard risk measure doesn't take into account all forms of investment risk. For example it doesn't consider what the size of a negative return could be, or the likelihood of a positive return being less than what you may require to meet your personal objectives. Nor does it take into account the impact of administration fees and tax on the likelihood of a negative return.

We review the standard risk measure for each of our investment options at least annually.

The standard risk measure is only a guide. You should consider whether you're comfortable with the risks and potential losses associated with the investments you choose.

Our unit pricing policy

We have adopted a formal unit pricing policy for the investment options in the fund. Our unit pricing policy conforms to industry standards. We can change this policy and any underlying procedures at any time.

The calculation of the unit price for each option is:

$$\frac{\text{Net asset value* (of the relevant option)}}{\text{The number of units on issue to members in that option}}$$

* Net asset value is equal to the gross asset value (ie market value of the underlying investments and cash at bank for that investment option) as at the close of business on a given day, plus accrued income minus indirect expense recoveries minus investment income tax provisions.

We reserve the right to suspend unit pricing or transaction processing activities in exceptional circumstances (for example, under situations of extremely volatile market conditions, or when large cash flows are moving into or out of the fund). Transactions that may be suspended in these circumstances can include benefit payments and switches.

Application of unit prices

Unit prices are derived and applied in an equitable manner that values members' benefits and distributes investment earnings and losses fairly. We apply a 'forward pricing' mechanism to process transactions to and from the fund. This means that all transactions are processed using a unit price calculated after the fund has received the transaction request.

- **Applications** — normally processed within 3 to 5 business days of receipt of the application monies and all the necessary information, using the price applicable on the date of processing.
- **Benefit payments (eg pension income payments and commutations)** — normally processed within 3 to 5 business days after all necessary information is received, using the unit price on the day benefit payments are processed.
- **Investment switches**—we process switches no earlier than the 3 business days after receipt of the completed request and normally within 5 business days, using the unit prices applicable on the date of processing.

Unit prices fluctuate from day to day but in extraordinary market conditions the movements can be significant. Movements can also be significant in smaller investment options relative to size of the cash flows in and out of them. We do not accept liability for any losses you may have suffered as a result of these factors, except where it can be established that we have not applied our unit pricing policy correctly.

Investment options - summary

- You can choose one option or a mix of options from the list below. If you don't choose an option, we will invest your account balance in the **Defensive – Index** option.
- If you're investing in a retirement pension (RP), more detailed information on the investment options is shown on pages 5 to 10
- If you're investing in a transition-to-retirement pension (TRP), more detailed information on the investment options is shown on pages 11 - 16. Unlike the RP options above, investment earnings in the TRP options are taxed at the concessional superannuation rate of up to 15%. Therefore there are differences in the performance and asset allocations of the options.
- You can switch between investment options online or by sending us a *Change member details and options* form available on the website.
- For information about the fees and costs associated with the investment options, see the reference guide *Additional explanation about fees and costs* on our website at smartMonday.com.au/resources.aspx.



Important information

- Read the information about the investment options, considering the likely returns, risks, and your investment timeframe, before making a decision.
- The information in this guide may change between the time you read it and when you make a decision to invest. Dashboards with the latest information on the investment options including performance returns are available on our website at smartMonday.com.au/investments.aspx.
- We can change, close or terminate investment options at any time. We'll notify you well in advance if there's anything that we feel will significantly affect your investments in the fund.
- The allocation of your account balance may drift away from your chosen investment strategy because of market movements and income payments over time. You should review your strategy from time to time.

Investment options (minimum 5% holding in each option)	
Pre-mixed	Sector
Suitable if you prefer to leave decisions about asset allocation and security selection to us.	Suitable if you want greater control over the asset allocation of your portfolio but prefer to leave the security selection to us.
<ul style="list-style-type: none"> ➤ High Growth – Index ➤ High Growth – Active ➤ Growth – Index ➤ Growth – Active ➤ Balanced Growth – Index ➤ Balanced Growth – Active ➤ Moderate – Index ➤ Moderate – Active ➤ Defensive – Index ➤ Defensive – Active 	<ul style="list-style-type: none"> ➤ Australian Shares – Index ➤ Australian Shares – Diversified ➤ Australian Shares – Core ➤ International Shares – Index ➤ International Shares – Index (\$A hedged) ➤ International Shares – Diversified ➤ International Shares – Core ➤ International Shares – Core (\$A hedged) ➤ Property – Australian Index ➤ Property – Diversified ➤ Fixed Interest – Australian Index ➤ Fixed Interest – Australian ➤ Fixed Interest – International Index (\$A hedged) ➤ Fixed Interest – International ➤ Fixed Interest – Diversified ➤ Cash

Retirement pension

Pre-mixed options

	High Growth – Index		High Growth – Active		Growth – Index		Growth – Active		Balanced Growth – Index	
Description	Invests in growth assets including Australian and international shares and property. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.		Invests in growth assets including Australian and international shares and property. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.		Invests predominantly in growth assets including Australian shares, international shares and property and defensive assets in fixed interest. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.		Invests predominantly in growth assets including Australian shares, international shares and property and defensive assets in fixed interest. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.		Invests in a mix of growth and defensive assets including Australian and international shares, property, fixed interest and cash. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	
Objective	To provide a return at least 4.5% pa above inflation (after fees) over rolling 15-year periods.		To provide a return at least 4.75% pa above inflation (after fees) over rolling 15-year periods.		To provide a return at least 4% pa above inflation (after fees) over rolling 12-year periods.		To provide a return at least 4.25% pa above inflation (after fees) over rolling 12-year periods.		To provide a return at least 3.5% pa above inflation (after fees) over rolling 10-year periods.	
Suggested minimum timeframe	15 years		15 years		12 years		12 years		10 years	
Investment strategy	Invests 90–100% of the portfolio in growth assets.		Invests 90–100% of the portfolio in growth assets.		Invests 80–90% of the portfolio in growth assets and typically 15% in defensive assets.		Invests 80–90% of the portfolio in growth assets and typically 15% in defensive assets.		Invests 60–80% of the portfolio in growth assets and typically 30% in defensive assets.	
Risk/return profile	Returns can be very volatile over the short to medium term. Historically, high growth assets have offered the highest long-term returns.		Returns can be very volatile over the short to medium term. Historically, high growth assets have offered the highest long-term returns.		Returns are generally less volatile than the High Growth portfolio but can still be very volatile over the short to medium term.		Returns are generally less volatile than the High Growth portfolio but can still be very volatile over the short to medium term.		There is likely to be volatility in returns in the short to medium term but volatility tends to decline over longer periods.	
Standard risk measure	6 (High)		6 (High)		5 (Medium to high)		5 (Medium to high)		4 (Medium)	
Asset allocation	Target %	Range %	Target %	Range %	Target %	Range %	Target %	Range %	Target %	Range %
Australian shares	46	0–70	46.5	0–70	39	0–70	39.5	0–70	32	0–70
International shares	46	0–70	46.5	0–70	39	0–70	39.5	0–70	32	0–70
Property	8	0–30	7	0–30	7	0–30	6	0–30	6	0–30
Alternative–growth	0	0–30	0	0–30	0	0–30	0	0–30	0	0–30
Total growth	100	90-100	100	90-100	85	80-90	85	80-90	70	60-80
Alternative–defensive	0	0–10	0	0–10	0	0–15	0	0–15	0	0–15
Aust. fixed interest	0	0–10	0	0–10	7.5	0–15	7.5	0–15	12.5	0–30
Int'l fixed interest	0	0–10	0	0–10	7.5	0–15	7.5	0–15	12.5	0–30
Cash	0	0–10	0	0–10	0	0–15	0	0–15	5	0–30
Total defensive	0	0-10	0	0-10	15	10-20	15	10-20	30	20-40

Retirement pension

Pre-mixed options

	Balanced Growth – Active		Moderate – Index		Moderate – Active		Defensive – Index		Defensive – Active	
Description	Invests in a mix of growth and defensive assets including Australian and international shares, property, fixed interest and cash. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.		Invests predominantly in defensive assets including Australian and international fixed interest with some exposure to shares and property. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.		Invests predominantly in defensive assets including Australian and international fixed interest with some exposure to shares and property. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.		Invests in defensive assets including Australian and international fixed interest and cash. Intended to be suitable for those who can tolerate an occasional negative return because they intend to remain invested in this option for the suggested minimum timeframe.		Invests in defensive assets including Australian and international fixed interest and cash. Intended to be suitable for those who can tolerate an occasional negative return because they intend to remain invested in this option for the suggested minimum timeframe.	
Objective	To provide a return at least 3.75% pa above inflation (after fees) over rolling 10-year periods.		To provide a return at least 2.5% pa above inflation (after fees) over rolling 3-year periods.		To provide a return at least 2.75% pa above inflation (after fees) over rolling 3-year periods.		To provide a return at least 1.5% pa above inflation (after fees) over rolling 2-year periods.		To provide a return at least 1.75% pa above inflation (after fees) over rolling 2-year periods.	
Suggested minimum timeframe	10 years		3 years		3 years		2 years		2 years	
Investment strategy	Invests 60–80% of the portfolio in growth assets and typically 30% in defensive assets.		Invests 20–40% of the portfolio in growth assets and typically 70% in defensive assets.		Invests 20–40% of the portfolio in growth assets and typically 70% in defensive assets.		Typically invests 100% of the portfolio in defensive assets.		Typically invests 100% of the portfolio in defensive assets.	
Risk/return profile	There is likely to be volatility in returns in the short to medium term but volatility tends to decline over longer periods.		Relatively low returns but with less volatility than Balanced Growth options.		Relatively low returns but with less volatility than Balanced Growth options.		Relatively stable returns. Generally lower long-term returns than the other options.		Relatively stable returns. Generally lower long-term returns than the other options.	
Standard risk measure	4 (Medium)		2 (Low)		2 (Low)		1 (Very low)		1 (Very low)	
Asset allocation	Target %	Range %	Target %	Range %	Target %	Range %	Target %	Range %	Target %	Range %
Australian shares	32	0–70	12	0–30	12	0–30	0	0–20	0	0–20
International shares	32	0–70	12	0–30	12	0–30	0	0–20	0	0–20
Property	6	0–30	6	0–30	6	0–30	0	0–20	0	0–20
Alternative–growth	0	0–30	0	0–15	0	0–15	0	0–20	0	0–20
Total growth	70	60-80	30	20-40	30	20-40	0	0-20	0	0-20
Alternative–defensive	0	0–15	0	0–20	0	0–20	0	0–40	0	0–40
Aust. fixed interest	12.5	0–30	30	0–60	30	0–60	30	0–90	30	0–90
Int'l fixed interest	12.5	0–30	30	0–60	30	0–60	30	0–90	30	0–90
Cash	5	0–30	10	0–60	10	0–60	40	10–90	40	10–90
Total defensive	30	20-40	70	60-80	70	60-80	100	80-100	100	80-100

Retirement pension

Sector options

	Australian Shares – Index	Australian Shares – Diversified	Australian Shares – Core	International Shares – Index
Description	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the stock market falls. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in Australian shares. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in Australian shares. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the share market falls. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.
Objective	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that closely matches the benchmark return before fees and tax.
Suggested minimum timeframe	15 years	15 years	15 years	15 years
Benchmark index	80% S&P/ASX 300 Accumulation Index 20% FTSE/ASFA Australian High Dividend Yield Index	S&P/ASX 300 Accumulation Index	S&P/ASX 300 Accumulation Index	MSCI World ex Australia Index (unhedged, net dividend reinvested)
Investment strategy	Uses a portfolio construction process to closely match the benchmark risk and return characteristics.	Invests in shares listed on the Australian Securities Exchange and unlisted shares that will be listed within six months or related securities.	Invests in shares listed on the Australian Securities Exchange and unlisted shares that will be listed within six months or related securities.	Uses a portfolio construction process to closely match the benchmark risk and return characteristics. No \$A hedging.
Risk/return profile	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.
Standard risk measure	6 (High)	6 (High)	6 (High)	6 (High)
Benchmark asset allocation	100% Australian shares	100% Australian shares	100% Australian shares	100% international shares

Retirement pension

Sector options

	International Shares – Index (\$A hedged)	International Shares – Diversified	International Shares – Core	International Shares – Core (\$A hedged)
Description	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the share market falls. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in global shares with some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in global shares with some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years and can accept significant volatility from foreign exchange fluctuations, because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in global shares with some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.
Objective	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.
Suggested minimum timeframe	15 years	15 years	15 years	15 years
Benchmark index	MSCI World ex Australia Index (hedged, net dividend reinvested)	MSCI World Index (unhedged, net dividend reinvested)	MSCI World Index (unhedged, net dividend reinvested)	MSCI World Index (hedged, net dividend reinvested)
Investment strategy	Uses a portfolio construction process to closely match the benchmark risk and return characteristics. Full \$A hedging.	Invests in shares listed on stock markets around the world with partial \$A hedging (generally less than 50%).	Invests in shares listed on stock markets around the world. No \$A hedging.	Invests in shares listed on stock markets around the world. Full \$A hedging.
Risk/return profile	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.
Standard risk measure	6 (High)	6 (High)	6 (High)	6 (High)
Benchmark asset allocation	100% international shares	100% international shares including emerging markets	100% international shares including emerging markets	100% international shares including emerging markets

Retirement pension

Sector options

	Property – Australian Index	Property – Diversified	Fixed Interest – Australian Index	Fixed Interest – Australian
Description	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the listed property market falls. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invested in listed Australian property and listed global property. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the bond market falls. This option is intended to be suitable for those seeking modest returns above inflation with a low risk of negative returns over the suggested minimum timeframe.	Invests predominantly in Australian fixed interest securities. The portfolio may include a wide range of overseas securities across the credit spectrum with some exposure to currency risk. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.
Objective	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (before fees and tax) over rolling 5-year periods.	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.
Suggested minimum timeframe	10 years	10 years	2 years	3 years
Benchmark index	S&P/ASX 300 A-REIT Accumulation Index	Combination of Australian listed and global listed indices	Bloomberg AusBond Composite Bond Index	Bloomberg AusBond Composite Bond Index
Investment strategy	Uses a portfolio construction process to closely match the benchmark risk and return characteristics.	Invests in property securities listed, or due to be listed, on the Australian Securities Exchange and developed international markets.	Uses a portfolio construction process to approximate the benchmark in a range of risk areas.	Invests predominantly in Australian fixed interest assets with the scope to invest across the credit spectrum both domestically and internationally.
Risk/return profile	Returns can be volatile over the short to medium term. Historically, property has produced higher returns than fixed interest and cash investments.	Returns can be volatile over the short to medium term. Historically, property has produced higher returns than fixed interest and cash investments.	Relatively low but stable returns with some volatility.	Relatively low but stable returns with some volatility. There may be some foreign currency exposure.
Standard risk measure	4 (Medium)	4 (Medium)	1 (Very low)	3 (Low to medium)
Benchmark asset allocation	100% Australian property securities	50% Australian properties securities 50% global listed property	100% Australian fixed interest	Predominantly Australian fixed interest

Retirement pension

Sector options

	Fixed Interest – International Index (\$A hedged)	Fixed Interest – International	Fixed Interest – Diversified	Cash
Description	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the bond market falls. There is no currency risk and this option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in overseas fixed interest securities across the credit spectrum. Foreign currency exposures are largely hedged back to the Australian dollar however there is some exposure to currency risk. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in fixed interest across the credit spectrum, with exposure to Australian and overseas markets. Foreign currency exposures are largely hedged back to the Australian dollar however there is some exposure to currency risk. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in deposits, fixed and floating rate securities with short-terms and high liquidity. Intended to be suitable for those who put more weight on capital security and liquidity than returns.
Objective	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.	To provide a return that exceeds the benchmark return (before fees and tax) over any 12-month period.
Suggested minimum timeframe	3 years	3 years	3 years	N/A
Benchmark index	50% Barclays Global Treasury Index (\$A hedged) 50% Barclays Global Aggregate Government-related and Corporate Index (\$A hedged)	Barclays Global Aggregate Index (\$A hedged)	50% Bloomberg AusBond Composite Bond Index 50% Barclays Global Aggregate Index (\$A hedged)	Bloomberg AusBond Bank Bill Index
Investment strategy	Uses a portfolio construction process to approximate the benchmark in a range of risk areas. Full \$A hedging.	Invests in fixed interest assets across the credit spectrum internationally. Foreign currency exposures are largely hedged back to the Australian dollar.	Invests in fixed interest assets across the credit spectrum both in Australia and internationally. Foreign currency exposures in the portfolio are largely hedged back to the Australian dollar.	Invests in short-term securities
Risk/return profile	Relatively low but stable returns with some volatility.	Relatively low but stable returns with some volatility. There may be some foreign currency exposure.	Relatively low but stable returns with some volatility. There may be some foreign currency exposure.	Low but stable returns with minimal volatility.
Standard risk measure	3 (Low to medium)	3 (Low to medium)	3 (Low to medium)	1 (Very low)
Benchmark asset allocation	100% international fixed interest	Predominantly international fixed interest	50% Australian fixed interest 50% international fixed interest	100% cash and short-term fixed interest securities

Transition to retirement pension

Pre-mixed options

	High Growth – Index		High Growth – Active		Growth – Index		Growth – Active		Balanced Growth – Index	
Description	Invests in growth assets including Australian and international shares and property. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.		Invests in growth assets including Australian and international shares and property. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.		Invests predominantly in growth assets including Australian shares, international shares and property and defensive assets in fixed interest. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.		Invests predominantly in growth assets including Australian shares, international shares and property and defensive assets in fixed interest. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.		Invests in a mix of growth and defensive assets including Australian and international shares, property, fixed interest and cash. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	
Objective	To provide a return at least 4% pa above inflation (after fees and taxes) over rolling 15-year periods.		To provide a return at least 4.25% pa above inflation (after fees and taxes) over rolling 15-year periods.		To provide a return at least 3.5% pa above inflation (after fees and taxes) over rolling 12-year periods.		To provide a return at least 3.75% pa above inflation (after fees and taxes) over rolling 12-year periods.		To provide a return at least 3% pa above inflation (after fees and taxes) over rolling 10-year periods.	
Suggested minimum timeframe	15 years		15 years		12 years		12 years		10 years	
Investment strategy	Invests 90–100% of the portfolio in growth assets.		Invests 90–100% of the portfolio in growth assets.		Invests 80–90% of the portfolio in growth assets and typically 15% in defensive assets.		Invests 80–90% of the portfolio in growth assets and typically 15% in defensive assets.		Invests 60–80% of the portfolio in growth assets and typically 30% in defensive assets.	
Risk/return profile	Returns can be very volatile over the short to medium term. Historically, high growth assets have offered the highest long-term returns.		Returns can be very volatile over the short to medium term. Historically, high growth assets have offered the highest long-term returns.		Returns are generally less volatile than the High Growth portfolio but can still be very volatile over the short to medium term.		Returns are generally less volatile than the High Growth portfolio but can still be very volatile over the short to medium term.		There is likely to be volatility in returns in the short to medium term but volatility tends to decline over longer periods.	
Standard risk measure	6 (High)		6 (High)		5 (Medium to high)		5 (Medium to high)		4 (Medium)	
Asset allocation	Target %	Range %	Target %	Range %	Target %	Range %	Target %	Range %	Target %	Range %
Australian shares	46	0–70	44	0–70	39	0–70	37.5	0–70	32	0–70
International shares	46	0–70	44	0–70	39	0–70	37.5	0–70	32	0–70
Property	8	0–30	7	0–30	7	0–30	6	0–30	6	0–30
Alternative–growth	0	0–30	5	0–30	0	0–30	4	0–30	0	0–30
Total growth	100	90-100	100	90-100	85	80-90	85	80-90	70	60-80
Alternative–defensive	0	0–10	0	0–10	0	0–15	5	0–15	0	0–15
Aust. fixed interest	0	0–10	0	0–10	7.5	0–15	5	0–15	12.5	0–30
Int’l fixed interest	0	0–10	0	0–10	7.5	0–15	5	0–15	12.5	0–30
Cash	0	0–10	0	0–10	0	0–15	0	0–15	5	0–30
Total defensive	0	0-10	0	0-10	15	10-20	15	10-20	30	20-40

Transition to retirement pension

Pre-mixed options

	Balanced Growth – Active	Moderate – Index	Moderate – Active	Defensive – Index	Defensive – Active
Description	Invests in a mix of growth and defensive assets including Australian and international shares, property, fixed interest and cash. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invests predominantly in defensive assets including Australian and international fixed interest with some exposure to shares and property. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invests predominantly in defensive assets including Australian and international fixed interest with some exposure to shares and property. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in defensive assets including Australian and international fixed interest and cash. Intended to be suitable for those who can tolerate an occasional negative return because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in defensive assets including Australian and international fixed interest and cash. Intended to be suitable for those who can tolerate an occasional negative return because they intend to remain invested in this option for the suggested minimum timeframe.
Objective	To provide a return at least 3.25% pa above inflation (after fees and taxes) over rolling 10-year periods.	To provide a return at least 2% pa above inflation (after fees and taxes) over rolling 3-year periods.	To provide a return at least 2.25% pa above inflation (after fees and taxes) over rolling 3-year periods.	To provide a return at least 1% pa above inflation (after fees and taxes) over rolling 2-year periods.	To provide a return at least 1.25% pa above inflation (after fees and taxes) over rolling 2-year periods.
Suggested minimum timeframe	10 years	3 years	3 years	2 years	2 years
Investment strategy	Invests 60–80% of the portfolio in growth assets and typically 30% in defensive assets.	Invests 20–40% of the portfolio in growth assets and typically 70% in defensive assets.	Invests 20–40% of the portfolio in growth assets and typically 70% in defensive assets.	Typically invests 100% of the portfolio in defensive assets.	Typically invests 100% of the portfolio in defensive assets.
Risk/return profile	There is likely to be volatility in returns in the short to medium term but volatility tends to decline over longer periods.	Relatively low returns but with less volatility than Balanced Growth options.	Relatively low returns but with less volatility than Balanced Growth options.	Relatively stable returns. Generally lower long-term returns than the other options.	Relatively stable returns. Generally lower long-term returns than the other options.
Standard risk measure	4 (Medium)	2 (Low)	2 (Low)	1 (Very low)	1 (Very low)
Asset allocation	Target % Range %	Target % Range %	Target % Range %	Target % Range %	Target % Range %
Australian shares	30 0–70	12 0–30	12 0–30	0 0–20	0 0–20
International shares	30 0–70	12 0–30	12 0–30	0 0–20	0 0–20
Property	6 0–30	6 0–30	6 0–30	0 0–20	0 0–20
Alternative–growth	4 0–30	0 0–15	0 0–15	0 0–20	0 0–20
Total growth	70 60-80	30 20-40	30 20-40	0 0-20	0 0-20
Alternative–defensive	5 0–15	0 0–20	10 0–20	0 0–40	5 0–40
Aust. fixed interest	10 0–30	30 0–60	25 0–60	30 0–90	27.5 0–90
Int’l fixed interest	10 0–30	30 0–60	25 0–60	30 0–90	27.5 0–90
Cash	5 0–30	10 0–60	10 0–60	40 10–90	40 10–90
Total defensive	30 20-40	70 60-80	70 60-80	100 80-100	100 80-100

Transition to retirement pension

Sector options

	Australian Shares – Index	Australian Shares – Diversified	Australian Shares – Core	International Shares – Index
Description	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the stock market falls. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in Australian shares. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in Australian shares. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the share market falls. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.
Objective	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that closely matches the benchmark return before fees and tax.
Suggested minimum timeframe	15 years	15 years	15 years	15 years
Benchmark index	80% S&P/ASX 300 Accumulation Index 20% FTSE/ASFA Australian High Dividend Yield Index	S&P/ASX 300 Accumulation Index	S&P/ASX 300 Accumulation Index	MSCI World ex Australia Index (unhedged, net dividend reinvested)
Investment strategy	Uses a portfolio construction process to closely match the benchmark risk and return characteristics.	Invests in shares listed on the Australian Securities Exchange and unlisted shares that will be listed within six months or related securities.	Invests in shares listed on the Australian Securities Exchange and unlisted shares that will be listed within six months or related securities.	Uses a portfolio construction process to closely match the benchmark risk and return characteristics. No \$A hedging.
Risk/return profile	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.
Standard risk measure	6 (High)	6 (High)	6 (High)	6 (High)
Benchmark asset allocation	100% Australian shares	100% Australian shares	100% Australian shares	100% international shares

Transition to retirement pension

Sector options

	International Shares – Index (\$A hedged)	International Shares – Diversified	International Shares – Core	International Shares – Core (\$A hedged)
Description	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the share market falls. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in global shares with some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in global shares with some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years and can accept significant volatility from foreign exchange fluctuations, because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in global shares with some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.
Objective	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.
Suggested minimum timeframe	15 years	15 years	15 years	15 years
Benchmark index	MSCI World ex Australia Index (hedged, net dividend reinvested)	MSCI World Index (unhedged, net dividend reinvested)	MSCI World Index (unhedged, net dividend reinvested)	MSCI World Index (hedged, net dividend reinvested)
Investment strategy	Uses a portfolio construction process to closely match the benchmark risk and return characteristics. Full \$A hedging.	Invests in shares listed on stock markets around the world with partial \$A hedging (generally less than 50%).	Invests in shares listed on stock markets around the world. No \$A hedging.	Invests in shares listed on stock markets around the world. Full \$A hedging.
Risk/return profile	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.
Standard risk measure	6 (High)	6 (High)	6 (High)	6 (High)
Benchmark asset allocation	100% international shares	100% international shares including emerging markets	100% international shares including emerging markets	100% international shares including emerging markets

Transition to retirement pension

Sector options

	Property – Australian Index	Property – Diversified	Fixed Interest – Australian Index	Fixed Interest – Australian
Description	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the listed property market falls. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Invested in listed Australian property and listed global property. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the bond market falls. This option is intended to be suitable for those seeking modest returns above inflation with a low risk of negative returns over the suggested minimum timeframe.	Invests predominantly in Australian fixed interest securities. The portfolio may include a wide range of overseas securities across the credit spectrum with some exposure to currency risk. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.
Objective	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (before fees and tax) over rolling 5-year periods.	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.
Suggested minimum timeframe	10 years	10 years	2 years	3 years
Benchmark index	S&P/ASX 300 A-REIT Accumulation Index	Combination of Australian listed and global listed indices	Bloomberg AusBond Composite Bond Index	Bloomberg AusBond Composite Bond Index
Investment strategy	Uses a portfolio construction process to closely match the benchmark risk and return characteristics.	Invests in property securities listed, or due to be listed, on the Australian Securities Exchange and developed international markets.	Uses a portfolio construction process to approximate the benchmark in a range of risk areas.	Invests predominantly in Australian fixed interest assets with the scope to invest across the credit spectrum both domestically and internationally.
Risk/return profile	Returns can be volatile over the short to medium term. Historically, property has produced higher returns than fixed interest and cash investments.	Returns can be volatile over the short to medium term. Historically, property has produced higher returns than fixed interest and cash investments.	Relatively low but stable returns with some volatility.	Relatively low but stable returns with some volatility. There may be some foreign currency exposure.
Standard risk measure	4 (Medium)	4 (Medium)	1 (Very low)	3 (Low to medium)
Benchmark asset allocation	100% Australian property securities	50% Australian properties securities 50% global listed property	100% Australian fixed interest	Predominantly Australian fixed interest

Transition to retirement pension

Sector options

	Fixed Interest – International Index (\$A hedged)	Fixed Interest – International	Fixed Interest – Diversified	Cash
Description	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the bond market falls. There is no currency risk and this option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in overseas fixed interest securities across the credit spectrum. Foreign currency exposures are largely hedged back to the Australian dollar however there is some exposure to currency risk. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in fixed interest across the credit spectrum, with exposure to Australian and overseas markets. Foreign currency exposures are largely hedged back to the Australian dollar however there is some exposure to currency risk. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in deposits, fixed and floating rate securities with short-terms and high liquidity. Intended to be suitable for those who put more weight on capital security and liquidity than returns.
Objective	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.	To provide a return that exceeds the benchmark return (before fees and tax) over any 12-month period.
Suggested minimum timeframe	3 years	3 years	3 years	N/A
Benchmark index	50% Barclays Global Treasury Index (\$A hedged) 50% Barclays Global Aggregate Government-related and Corporate Index (\$A hedged)	Barclays Global Aggregate Index (\$A hedged)	50% Bloomberg AusBond Composite Bond Index 50% Barclays Global Aggregate Index (\$A hedged)	Bloomberg AusBond Bank Bill Index
Investment strategy	Uses a portfolio construction process to approximate the benchmark in a range of risk areas. Full \$A hedging.	Invests in fixed interest assets across the credit spectrum internationally. Foreign currency exposures are largely hedged back to the Australian dollar.	Invests in fixed interest assets across the credit spectrum both in Australia and internationally. Foreign currency exposures in the portfolio are largely hedged back to the Australian dollar.	Invests in short-term securities
Risk/return profile	Relatively low but stable returns with some volatility.	Relatively low but stable returns with some volatility. There may be some foreign currency exposure.	Relatively low but stable returns with some volatility. There may be some foreign currency exposure.	Low but stable returns with minimal volatility.
Standard risk measure	3 (Low to medium)	3 (Low to medium)	3 (Low to medium)	1 (Very low)
Benchmark asset allocation	100% international fixed interest	Predominantly international fixed interest	50% Australian fixed interest 50% international fixed interest	100% cash and short-term fixed interest securities



E. enquiries@smartMonday.com.au
P. 1300 880 588
F. 1300 267 582
W. smartMonday.com.au

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