Anita, Spirit Super member

Investment guide

23 August 2024

The information in this document forms part of the *Product disclosure statement* (*Member guide*) for Spirit Super dated 23 August 2024.

This *Investment guide* explains the investment options offered by Spirit Super and the risks associated with investments. It also provides information about our investment approach and the asset classes in which we invest.

1. YOUR INVESTMENT OPTIONS AT A GLANCE

Investing in your super can be as simple as you want it to be. With Spirit Super you can invest in one or a mix of our nine investment options. Each option has a different investment strategy and varying levels of risk and expected return.

Our investment options

When you join Spirit Super, you'll automatically be invested in the default Balanced (MySuper) option, our MySuper authorised product, if you don't decide how your super is invested.

If you want to call the shots, you can choose the investment option that's right for you from the following:

Pre-mixed options: Growth, Sustainable, Balanced (MySuper), Moderate, Conservative.

Asset class options: Australian shares, International shares, Diversified fixed interest, Cash.

And if you want to change it down the track, it's easy. See *How to change investment options* on page 15.

Please note that we'll switch your account balance to the Cash option if we're advised that you've passed away. Refer to *What happens to your investments when you pass away?* on page 15 for more details.

Our investment options invest in a range of asset classes. You can read about the different asset classes in *Key investment terms explained* on page 4.

So, what's right for you?

What's right for you might not be right for someone else. When choosing investment options, think about what's important to you:

- Do you want to increase your super balance?
- How would you feel if you lost money? (This is your risk tolerance.)
- How old are you now, and how long will you be investing your super?
- What fees and costs apply?

Choose the option that's right for you

Thinking about your situation, look at the objectives and strategies of each investment option (the expected risk and return varies for each option). Which option/s best matches where you're at and what your goals are? It's a big decision and one that isn't always easy, so you might want to get some advice.

It's important to note that the investment objectives aren't forecasts or guarantees of future returns. Investment option returns aren't guaranteed, and the value of investments might rise or fall. Past performance isn't a guarantee of future performance.

Need advice?

We love helping you understand and maximise your super. That's why we provide access to general information, education, and personal (intra-fund) advice on your Spirit Super account at no extra cost. Go to **spiritsuper.com.au/get-advice** for more details.

Before making any investment decisions, please read this *Investment guide* to help you understand our investment options, investment approach and the risks associated with investing. Read our *Fees and costs* fact sheet to help you understand the applicable fees and costs.

For the latest investment returns and unit prices, go to spiritsuper.com.au/investments/investment-options.

Past performance isn't a reliable indicator of future performance.

2. HOW WE INVEST YOUR MONEY

We aim to deliver strong returns. Our goal is to maximise your returns during your working life and in retirement while protecting your retirement savings from large fluctuations.

Our investment strategy

We use our expertise to build a portfolio of assets that balances investment returns and risks. We do this by investing in both growth and defensive assets.

Handy tip:

Investments are typically classified into two main categories – growth assets and defensive assets. These form the building blocks of your investment. Growth assets generally carry a higher risk, but can earn higher returns over the long term. Defensive assets are generally lower risk and can be used to protect your investment against loss, but deliver lower returns over the long term. Some asset classes, like absolute return, can have underlying investments that can be considered to have both growth and defensive elements.

Our growth assets include shares and private equity. Our infrastructure and property assets are growth oriented but do include some lower-risk assets and tend to add significant diversification benefits. The returns on growth assets come mainly from capital gains and, to a lesser extent, income in the form of dividends. We expect to see growth in the value of these assets over time. Returns from growth assets may be negative from time to time.

Our defensive assets include fixed interest and cash. The returns on defensive assets are mainly from interest. The focus is on generating stable and predictable cash flows with a relatively low level of risk. Our absolute return strategies are also mainly defensive, including by virtue of adding diversification. We note that negative returns are possible in the case of fixed interest and absolute return. However, cash returns are generally positive, although this can't be guaranteed.

We invest in a number of private market investment asset classes such as private equity, property and infrastructure. These assets are less frequently traded than other assets classes (such as shares, for example) and can be in both domestic and international markets. Assets such as property and infrastructure can have long-term leases. They're not directly linked to share markets and can provide an income stream and a buffer against the short-term fluctuations of share markets.

The strategic asset allocation to growth and defensive assets for each investment option is summarised below:

	Growth	Defensive
Pre-mixed options		
Growth	90%	10%
Sustainable	75%	25%
Balanced (MySuper)	74%	26%
Moderate	55%	45%
Conservative	35%	65%
Asset class options		
Australian shares	100%	0%
International shares	100%	0%
Diversified fixed interest	0%	100%
Cash	0%	100%

Asset allocation

Our pre-mixed investment options are Growth, Sustainable, Balanced (MySuper), Moderate and Conservative. These options invest in a range of asset classes and are built with the aim of achieving the option's specific investment return objective.

In comparison, each of our asset class options invests in one asset class only. Each option's name describes the single asset class for the option: Australian shares, International shares, Diversified fixed interest and Cash.

We set medium to long-term risk and investment return objectives for each of our investment options. We then set a strategic asset allocation for each option with the aim of achieving the option's investment return objective.

Handy tip:

The strategic asset allocation is the proportion of each of our options that's invested in each asset class to achieve its long-term risk and return objectives. This is the main influence on the expected return of any investment option.

You can find the investment return objective and strategic asset allocation for each investment option in *Your investment options* starting on page 10. We review the strategic asset allocation and ranges at least annually.

For the pre-mixed investment options, we may adjust asset allocations and make portfolio adjustments within the strategic asset allocation ranges without letting you know. This allows us to make changes to asset allocations in response to market changes and shifts in the medium-term global economic outlook.

From time to time, the actual asset allocations may differ from the strategic asset allocation for the pre-mixed options due to market fluctuations, new investments and irregular cash flow levels. Generally, we'll seek to rebalance the portfolio back toward the strategic asset allocation.

For example, if the share market falls, the proportion allocated to shares in the pre-mixed options may decrease, and the allocation to other asset classes in the options may increase.

We try to ensure that variations between the actual and strategic asset allocations of all investment options are managed within the ranges. However, in times of extreme market volatility, the actual and strategic asset allocations can differ significantly.

We regularly review our investment options to check whether objectives are being met. We may, after careful consideration, implement changes to the investment options, or we may close, remove or add new investment options. We'll let you know of any significant changes affecting you before taking any action, though minor changes may occur without notifying you. We may make changes to the investment options without getting your consent.

Key investment terms explained

It's good to spend time understanding your investments. Here we explain some key investment terms to help you decide which investment option/s may be right for you.

Understanding asset classes

An asset class is a group of investments that have similar features. All asset classes have different levels of risk and expected return.

The key asset classes we invest in include shares, fixed interest, cash, property and infrastructure.

These asset classes can be further broken down to include, among other things, Australian and global shares, unlisted shares and private equity, Australian or global fixed interest, direct or indirect property investments and domestic and global infrastructure.

Shares

When you invest in shares (also known as equities), you're buying a share of a company that can be traded on a stock exchange. You can access small and large companies across a range of industries in Australia or overseas. Shares provide gains or losses through changes in their price on the stock exchange and income through dividends. Shares are regarded as a high-risk investment with the potential for short-term negative returns. However, they also have the potential for higher returns than most other asset classes over the long term.

Infrastructure

Infrastructure involves investing in assets that provide essential public facilities and services such as roads, airports, seaports and power generation and distribution in Australia and overseas. This investment primarily involves exposure to unlisted companies or assets. Relative to shares, infrastructure tends to have a slightly lower risk and return profile. Although returns should be less volatile than other share investments, infrastructure may also produce negative returns.

Property

Property investments include exposure to both directly held property assets as well as investment pools that own commercial office buildings, large retail shopping centres and industrial buildings. Property provides income in the form of rent, and the value of the assets can increase or decrease over time. Property is generally regarded as a medium to high-risk investment, depending on the characteristics of the underlying assets. Generally, property investments provide higher returns than fixed interest or cash in the long term but may incur negative returns in certain market conditions.

Private equity

Private equity involves investing in companies that aren't listed on a stock exchange. Investments can include Australian and overseas companies across a wide range of industries and various stages of development, from early-stage venture capital and those requiring expansion capital to grow, through to management-supported buyouts. It aims to produce high long-term returns but is a high-risk asset class and may incur negative returns. Private equity is classified as a growth-orientated asset class and is likely to exhibit risks similar to those associated with listed shares over the long term.

Fixed interest

Fixed interest involves investing in bonds issued by governments and corporations where a fixed or floating rate of interest is paid. These typically provide interest payments over the term of the security and the return of the amount invested at the end of the bond's life. A floating rate security has a variable interest rate, whereas the interest paid by a fixed-rate security doesn't fluctuate. The bond's value fluctuates during its lifetime in response to a variety of factors, including changes in market interest rates.

Our investment in fixed interest securities may include government and credit securities of both a fixed and floating rate nature. There may be exposures to high yield securities and direct lending from time to time, including infrequently traded debt securities that exhibit greater credit risk and higher expected returns than government bonds. Capital gains or losses may also be incurred through movements in the price of fixed-interest investments, primarily arising from movements in interest rates and changes in credit risk. Fixed interest investments may provide higher returns than cash over the long term, but may also have negative returns in certain market conditions.

Absolute return

Absolute return strategies cover a broad array of investments with exposure to a range of traditional markets, including high-yield credit, shares and commodities as well as other more esoteric markets such as catastrophe insurance. The unique exposures of each investment, taken together, mean that this asset class is designed to be relatively defensive in nature overall. Individual absolute return strategies can exhibit a mixture of growth and defensive characteristics; however, the aim is to control risk through lower market risk exposure and lower return volatility than if we were solely invested in shares. Absolute return strategies aim to generate higher returns than cash returns but may produce negative returns from time to time.

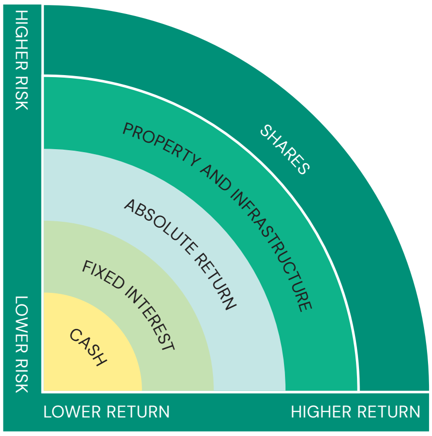
Cash

Cash is made up of bank deposits, including term deposits, and other short-term money market investments and cash instruments. Interest is generally received from cash investments. An investment in cash generally offers the lowest returns over the long run of any asset class but also has the lowest risk. The purchasing power of cash is reduced over time as a result of inflation.

It's also possible that returns on the cash asset class could be negative in an environment where short term interest rates are very low or even negative. Cash investments are based on the official cash rate set by the Reserve Bank of Australia and represents the interest rate on unsecured overnight loans between banks.

Risk versus return

Our investment options have varying levels of risk and expected return. The key to choosing the right investment option/s is deciding the rate of return you'd like to achieve and balancing this against the degree of risk you're prepared to accept. It's important to know your risk profile – you should consider not only your tolerance for short term fluctuations in the value of your investments, but also your longer-term aims and goals.



Diversification

The best way to manage investment risk is through diversification. This means investing in a mix of different assets and asset classes.

Diversification is all about not having all your eggs in one basket.

If one asset class is falling in value, another asset class may be rising in value, thereby offsetting the capital loss suffered by the fall in value of the first asset class. A diversified investment mix may be invested in a range of asset classes such as cash, property, government bonds, Australian shares and global shares. At any one point in time, all of these investments will be earning different rates of return.

Choosing the appropriate mix of different asset classes is known as asset allocation. Our investment options offer a range of asset allocations to suit various risk and return levels.

Investment time frame

Your investment time frame reflects how long your super will be invested. Having enough time in investment markets is an important consideration in making your investment choice. Your investment time frame will be influenced by your age and whether you're investing for the short term or long term.

When you have a short investment time frame, you may want to reduce the risk of a negative return and choose a lower risk investment strategy.

A higher risk investment strategy may be more suitable when you have a longer investment time frame or horizon as you have more time to ride out the market fluctuations that can be associated with higher risk investments.

Remember that your investment horizon will change over time, as will your risk profile, so it's important to review your investment choice and make changes if appropriate.

Your super savings may not be enough to provide for you in retirement. This can happen if you select a low-risk investment strategy that produces low returns.

While investing in lower-risk investments may appear better in the short term, your investment may not keep pace with inflation.

Environmental, social and governance (ESG)

We take ESG issues, including ethical considerations and labour standards, into account in the selection, retention or realisation of our investments. We do this for all of our investment options through our approach to responsible investment, which includes the activities and practices summarised below.

Responsible investment is an important part of our investment decision-making (including our management of ESG and other risks) for all of our investment options, to the extent it impacts the financial value of an investment. It plays a role in delivering long-term sustainable returns on your super, having regard to the framework and principles set out in our *ESG Policy* available at **spiritsuper.com.au/investments/ESG**.

We believe proactive management and engagement with ESG-related risks and opportunities improves the robustness of our decision making and helps us to achieve our long-term investment objectives.

We believe we have a role to play in adapting to the increasing financial risks associated with climate change and other ESG issues that may affect our members' retirement savings. Supporting the transition to a low carbon economy is one of our key priorities, as inaction on climate change has the potential to lead to an erosion of long-term investment returns. More details about our approach to climate risk management is outlined within our *Climate change position statement* which is available at **spiritsuper.com.au/investments/ESG**.

Responsible investment is an integral element to achieving long-term investment objectives, managing risks and helping members grow their retirement savings. However, that doesn't mean we consider all ESG issues for each of our investments or that all our investments are free of ESG-related risks. We seek to address material ESG risks associated with our investments and based on our ESG approach which is summarised opposite.

Our approach to ESG

We seek to address ESG issues (including material risks, impacts and opportunities) in two ways: **integration and impact**.

Learn more about our approach to ESG at spiritsuper.com.au/investments/ESG.

Our ESG approach, including our targets and priorities, is subject to change. We may provide updated information about our ESG approach, including relevant ESG issues, on our website.

ESG integration

We integrate a range of ESG factors, including considering risks, impacts and opportunities relating to the environment, social issues and corporate governance in our investment processes around how we select, retain, manage, and realise investments. Our approach includes:

- assessing ESG factors when selecting new investments and managers across all asset classes, where possible
- ongoing review of ESG risks across the portfolio
- periodic review of our investment managers' ESG policies and practices
- engaging with our investment managers and asset operators with the aim of improving their ESG credentials and outcomes where possible
- voting on listed company resolutions where we're entitled to vote (for our Australian and global shares portfolio across all investment options)
- excluding listed securities or other investments, and/or instructing external managers to divest assets, that we believe have intolerable ESG risks, including where efforts at direct engagement with the underlying business's management have failed.

Which ESG issues we consider and how we consider them varies depending on the nature of the investment, the asset class, the materiality of the ESG-related risks and other matters. For example, labour standards are considered on a case-by-case basis where the relevant labour rights are deemed material to the investment case. Examples of the ESG factors that may be considered on a case-by-case basis include, but aren't limited to, climate change, emissions, modern slavery, human rights and executive remuneration. More examples are provided on our website.

We seek to enhance our investments' value and long-term viability by engaging with listed companies that form part of our Australian and global shares portfolios (relevant to all investment options with allocations to those asset classes) on material ESG issues. We may do this through various mechanisms including organisations we participate in, such as the Australian Council of Superannuation Investors (ACSI). Material ESG issues include climate change, human and labour rights, indigenous relations and board or executive remuneration. There may be other issues that are taken into account during our engagement with listed companies, as we determine appropriate from time to time.

Where possible, we also directly engage with unlisted companies associated with unlisted assets held as part of our private market portfolios, on ESG issues we determine appropriate from time to time.

ESG impact

We seek compelling investment opportunities that address specific positive and measurable social and environmental outcomes when selecting investments. This is generally more relevant for our private market portfolios.

Our ESG impact strategy focuses on our ESG priorities. This includes investing in:

- companies that support the transition to a low carbon economy, and
- small and medium-sized businesses at the forefront of innovation and emerging technologies, and supporting employment generation in our local and regional communities.

These investments must still present a compelling reward for risk and satisfy our strict due diligence processes.

Our ESG targets

We have set three ESG targets as part of our ESG strategy.

Target 1: Allocate more than 15% of our total investment portfolio to impact investments by 2030.

We define impact investments as those that provide positive social and environmental outcomes while also generating compelling financial returns. To be classified as an impact investment, each opportunity must meet specific criteria set out by our Investment team, from time to time.

Target 2: Reduce our total investment portfolio's attributable carbon footprint by 2030.

We aim to reduce our total investment portfolio's attributable carbon footprint by 50% by 2030, compared to a baseline as at 30 June 2022. This means a:

a. 50% reduction in our attributable CO_2 emissions and

b. 50% reduction in our attributable fossil fuel reserves.

Target 3: Invest $1.5 billion or more in Australian small and medium-sized businesses by 2030.

For investment purposes, we define small and medium-sized businesses as having an enterprise valued at less than A$700 million.

Strong emphasis will be given to originating opportunities in regional Australia and/or that support the creation of new jobs, training and employment opportunities for vulnerable people.

While we aim to achieve positive ESG impacts using measurable ESG targets within certain timeframes, this isn't guaranteed.

Risks and opportunities in climate change

We believe climate change is real and that we have a responsibility to allocate capital and resources toward the transition to a low carbon economy. For more details on our approach to managing risks associated with climate change, see our *Climate change position statement* at **spiritsuper.com.au/investments/ESG**.

We offer a Sustainable investment option

Our Sustainable investment option puts additional emphasis on environmental, social and governance considerations (to the approaches that generally apply to all our investment options) when making investment decisions and setting target asset allocations. This is achieved by measures such as investing in investment managers that we consider strongly integrate ESG into their security selection and investment processes, and managers that are expected to deliver lower carbon emissions exposure than their relevant benchmark (these generally relate to the option's Australian and global shares asset classes).

The Sustainable option also excludes directly held, unlisted assets in the infrastructure asset class that are primarily involved in the production, combustion or transmission of fossil fuels.

More details about our ESG focus for this option is available in *Our Sustainable investment option* fact sheet at **spiritsuper.com.au/forms/factsheets**.

3. INVESTMENT RISK

All investments, including super carry some risk. To make an informed choice about your super, you need to understand the risks involved.

Different investment options or strategies have different levels of risk, depending on the assets which make up the strategy. Assets with the highest level of investment returns over the long term will usually also have the highest risk of loss over the short term.

It's important to understand that:

- the value of your investments will vary, the level of returns will vary, and future returns may differ from past returns
- returns aren't guaranteed, and you may lose some of your money
- super laws may change in the future. Other laws may also change, for example, tax and social security laws
- your super savings (including contributions and returns) may not be enough to provide adequately for your retirement.

The level of risk for each person will vary depending on a range of factors including your age, your investment time frame, how your other assets are invested and how much risk you're comfortable taking on.

Investing too conservatively also has risks when making a long-term investment. The main risk is that your money will grow too slowly, leaving you short when it comes time to retire.

All our investment options have differing degrees of exposure to a range of potential risks you should consider, including the following significant risks:

Market risk

Economic, technological, political and legal conditions, and market sentiment can (and do) change. Changes in the value of investment markets affect the value of investments held by Spirit Super. All options include some level of market risk. Options with higher exposure to listed shares generally have a greater level of market risk than other options. We aim to reduce market risk through diversification across asset classes, countries and investment managers.

Liquidity risk[1]

There's a risk that assets, especially unlisted assets, may not be able to be sold in a relatively short period without affecting the price of the asset. All options, particularly our pre-mixed options, will typically have some exposure to illiquid assets. We actively monitor liquidity risk and have a policy for managing it.

[1]Our investment portfolio contains exposure to illiquid assets. However, we're generally able to satisfy portability requirements from cash reserves. For more information about our portfolio, visit **spiritsuper.com.au/investments** or call **1800 005 166**.

Counterparty risk

There's a risk that a party we've had an investment/s or contract/s with may fail to meet its legal or contractual obligations. It can occur if we use arrangements such as derivative contracts and brokerage agreements, as well as repurchase and foreign exchange contracts. We consider this risk when evaluating contracts.

Credit risk

There's a risk of loss arising from a borrower defaulting on debt and/or a decline in the perception of credit quality within the market. This can occur in investments including derivatives, fixed interest and mortgage securities. Credit risk is typically greater in options with higher allocations to fixed interest securities, including corporate bonds. We manage this risk by conducting due diligence on prospective investments and ongoing performance monitoring and reporting.

Currency risk

We invest in other countries, and if their currencies change in value relative to the Australian dollar, the value of the investment changes. Currency risk is relevant for all options that may invest in foreign currency-denominated assets. External currency managers are employed with the objective of reducing the impact of adverse movements in the Australian dollar.

Derivatives risk

A derivative is a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index).

Derivatives are used to reduce risk or gain exposure to assets or asset classes. There are risks associated with derivatives, including potential illiquidity, its value failing to move in line with the value of the underlying assets, the trustee being unable to meet payment obligations and counterparty risk.

We aim to keep this risk to a minimum by monitoring our exposure to derivative contracts and entering into derivative contracts with reputable counterparties. We don't use derivatives to leverage investment exposure.

ESG-related risk

There's a risk that a company we invest in doesn't manage its ESG-related risks properly, or that external factors may cause ESG outcomes to be different to expected. This can lead to an asset underperforming expectations. To help address this risk, we seek to incorporate ESG considerations into our investment decision making. For more details about the ESG considerations and associated risks we have regard to, go to **spiritsuper.com.au/investments/ESG**.

Our service providers help us manage investments in accordance with our ESG principles and expectations. There's a risk that relevant service providers don't perform their required duties effectively or for underlying investments to diverge from our expectations. If such a risk was to materialise, adherence to our principles may be compromised and this may mean a fund asset must be sold.

Fund risk

There's a risk that disruption to our operations may occur because of a breakdown in technological systems or material changes to staffing arrangements. We aim to keep fund risk to a minimum by maintaining a risk management and compliance framework in accordance with legislative requirements. Changes to super laws and/or taxation legislation can also affect your investment.

Inflation risk

If inflation is greater than the return on your investment, the 'real' value of your investment falls. We aim to reduce this risk by investing a portion of the pre-mixed options in assets that are expected to generate returns in excess of inflation in the medium term.

Interest rate risk

Changes in interest rates can have a positive or a negative effect directly or indirectly on investment value or returns.

Interest rate risk tends to be higher for fixed interest securities and other so-called 'long duration' assets. We seek to manage interest rate risk through our asset allocation and portfolio construction, however, significant upward interest rate movements may still give rise to negative returns over the shorter-term across most investment options.

Asset-specific risk

Specific risk refers to the non-market risk exposure of assets. Individual assets can (and do) fall in value for many reasons, such as changes in the internal operations or management of a fund or company or its business environment. We aim to reduce this risk by holding a diversified portfolio of investments within each asset class. This aims to ensure the portfolio has an affordable level of risk.

Assessing investment risks

Our investment options have been assessed using the industry's standard risk measure to make it easier for you to choose the most suitable investment option/s for you. This measure allows you to compare the expected risk across investment options and is based on the number of negative annual returns that are expected over any 20-year period.

Standard risk measure

The standard risk measure disclosed for each of our investment options (see page 10) is calculated using the strategic asset allocation for that investment option current at the date of this guide. It represents our assessment of the standard risk measure for that option over a 20-year period. However, over shorter periods, the risk associated with an investment option may differ from the standard risk measure for that option. This can occur, for example, during transitional periods when changes are being made to the underlying assets of an option or when market movements mean that the day-to-day asset allocation of an investment option differs from the option's strategic asset allocation.

The standard risk measure isn't a complete assessment of all forms of investment risk. It doesn't detail what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives. Further, it doesn't consider the impact of administration fees and costs and tax on the likelihood of a negative return.

You shouldn't rely exclusively on the standard risk measure. However, you should still ensure you're comfortable with the risks and potential losses associated with your chosen investment option/s.

Risk band	Risk label	Estimated number of negative annual 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

We can help you understand investment risk and can provide personal advice on which option is right.

4. YOUR INVESTMENT OPTIONS

When deciding which investment option to choose, consider the information about asset allocation and risk in *How we invest your money* on page 3, and *Investment risk* on page 8. The applicable fees and costs are detailed in our *Fees and costs* fact sheet available at **spiritsuper.com.au/pds**.

Pre-mixed investment options

Growth

Description

This investment option aims to achieve strong returns by investing in a portfolio of mainly shares and other growth assets.

Type of investor

You're seeking high capital growth over the long term (more than 10 years) and don't mind substantial risk and volatility.

Investment return objective[2]

CPI + 4% a year over rolling 10-year periods.

Minimum suggested time frame

10 years.

Risk level[3]

High – risk band 6. You may expect 4-6 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	4	0-10
Australian fixed interest	0	0-10
Global fixed interest	0	0-10
Absolute return	4	0-20
Property	6	0-20
Infrastructure	8	0-20
Australian shares	30	0-50
Global shares	40	0-50
Private equity	8	0-20
Growth assets	**90**	-
Defensive assets	**10**	-

Sustainable

Description

This investment option aims to achieve strong returns by investing in a diversified mix of mainly growth assets with heightened consideration given to environmental, social and governance risks.

Type of investor

You're seeking moderate to high-level capital growth over the long term (more than 7 years) using environmentally and socially responsible investments. You can tolerate medium to high risk and volatility.

Investment return objective[2]

CPI + 3% a year over rolling 7-year periods.

Minimum suggested time frame

7 years.

Risk level[3]

Medium to high – risk band 5. You may expect 3-4 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	8	0-20
Australian fixed interest	4	0-30
Global fixed interest	6	0-40
Absolute return	4	0-20
Property	9	0-25
Infrastructure	9	0-25
Australian shares	25	0-35
Global shares	30	0-40
Private equity	5	0-20
Growth assets	**75**	-
Defensive assets	**25**	-

Go to page 6 for more details on our approach to environmental, social and governance.

[2]The investment return objective is after investment fees and costs, transaction costs and investment-related taxes. | [3]Refer to page 9 for more details about the risk measures that this risk level is based on.

Balanced (MySuper)

Description

This investment option aims to achieve strong returns by investing in a diversified mix of mainly growth assets as well as cash and fixed interest instruments.

Type of investor

You're seeking moderate to high-level capital growth over the long term (more than 7 years) and can tolerate medium to high risk and volatility.

Investment return objective[4, 5]

CPI + 3% a year over rolling 7-year periods.

Minimum suggested time frame

7 years.

Risk level[6]

Medium to high – risk band 5. You may expect 3-4 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	8	0-20
Australian fixed interest	4	0-20
Global fixed interest	6	0-30
Absolute return	4	0-20
Property	10	0-25
Infrastructure	10	0-25
Australian shares	23	0-40
Global shares	30	0-50
Private equity	5	0-20
Growth assets	**74**	–
Defensive assets	**26**	–

Moderate

Description

This investment option aims to achieve moderate returns by investing in a diversified mix of growth and defensive assets.

Type of investor

You're seeking a moderate level of capital growth in the medium to long term (more than 5 years) and at a moderate level of risk and volatility.

Investment return objective[4]

CPI + 2% a year over rolling 5-year periods.

Minimum suggested time frame

5 years.

Risk level[6]

Medium – risk band 4. You may expect 2-3 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	15	0-40
Australian fixed interest	8	0-30
Global fixed interest	15	0-40
Absolute return	5	0-20
Property	6	0-20
Infrastructure	8	0-20
Australian shares	16	0-30
Global shares	22	0-35
Private equity	5	0-15
Growth assets	**55**	–
Defensive assets	**45**	–

[4]The investment return objective is after investment fees and costs, transaction costs and investment-related taxes. | [5]The investment return objective of the Balanced (MySuper) option isn't the same as the return target shown in the MySuper dashboard available at **spiritsuper.com.au/investments/MySuper-Dashboard**. The return target shown on the MySuper dashboard represents the mean annualised estimate of the percentage rate of net return of a representative member that exceeds the growth in the CPI over 10 years | [6]Refer to page 9 for more details about the risk measures that this risk level is based on.

Conservative

Description

This investment option aims to achieve returns in excess of price inflation with low to medium risk.

Type of investor

You're seeking some capital growth over the short to medium term (at least 4 years) with low to medium level of risk and volatility.

Investment return objective[7]

CPI + 1% a year over rolling 4-year periods.

Minimum suggested time frame

4 years.

Risk level[8]

Low to medium – risk band 3. You may expect 1-2 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	24	20-50
Australian fixed interest	12	5-50
Global fixed interest	22	15-60
Absolute return	5	0-20
Property	5	0-15
Infrastructure	7	0-15
Australian shares	9	0-20
Global shares	12	0-25
Private equity	4	0-10
Growth assets	**35**	–
Defensive assets	**65**	–

Dylan
Spirit Super member

[7]The investment return objectives are after investment fees and costs, transaction costs and investment-related taxes. | [8]Refer to page 9 for more details about the risk measures that this risk level is based on.

Asset class investment options

Australian shares

Description

This investment option aims to generate high long-term investment returns through diversified investments in Australian shares. Returns are likely to be very volatile.

Type of investor

You're seeking a high level of capital growth over the long term (more than 10 years) by investing in a diversified portfolio of Australian shares. You're comfortable with substantial risk and volatility.

Investment return objective

To meet or exceed the return to the S&P/ASX300 Accumulation Index, including franking credits but before fees, costs and investment-related taxes.

Minimum suggested time frame

10 years.

Risk level[9]

High – risk band 6. You may expect 4-6 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	0	0-10
Australian shares	100	90-100
Growth assets	**100**	–
Defensive assets	–	–

International shares

Description

This investment option aims to generate high long-term investment returns through diversified investments in global shares. Returns are likely to be very volatile.

Type of investor

You're seeking a high level of capital growth over the long term (more than 10 years) by investing in a diversified portfolio of global shares. You're comfortable with substantial risk and volatility.

Investment return objective

To meet or exceed the return to the MSCI All Countries World Index (ex-Australia), partially hedged to Australian dollars before fees, costs and investment-related taxes.

Minimum suggested time frame

10 years.

Risk level[9]

High – risk band 6. You may expect 4-6 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	0	0-10
Global shares	100	90-100
Growth assets	**100**	–
Defensive assets	–	–

[9]Refer to page 9 for more details about the risk measures that this risk level is based on.

Diversified fixed interest

Description

This investment option aims to deliver moderate returns over the medium term by investing in a diversified portfolio of Australian and global fixed interest instruments.

Type of investor

You're seeking moderate returns with some capital growth over the medium term (more than 5 years) by investing in a range of fixed interest investments. You want a lower level of risk and volatility than shares.

Investment return objective

To meet or exceed the return to a weighted average of Australian and international fixed interest indices, hedged to Australian dollars before fees, costs and investment-related taxes.

Minimum suggested time frame

5 years.

Risk level[10]

Low to medium – risk band 3. You may expect 1-2 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	0	0-10
Australian fixed interest	35	0-60
Global fixed interest	65	40-100
Growth assets	-	-
Defensive assets	**100**	-

Cash

Description

This investment option aims to ensure security of capital and to limit year-to-year variability through investment in cash.

Type of investor

You want a high level of capital security and to maintain the purchasing power of your investment over the short term. You want very low risk and fairly consistent but low returns.

Investment return objective

To deliver the return to the Bloomberg AusBond Bank Bill Index before fees, costs and investment-related taxes.

Minimum suggested time frame

0 years.

Risk level[10]

Very low – risk band 1. You may expect less than 0.5 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	100	NA
Growth assets	-	-
Defensive assets	**100**	-

[10]Refer to page 9 for more details about the risk measures that this risk level is based on.

5. OTHER IMPORTANT INFORMATION

How to change investment options

You can switch your investment options or ask that future transactions be invested into or withdrawn from a different investment option at any time. You can switch investment options or change your future transactions strategy:

- through **Member Online** or
- by calling us on **1800 005 166** or
- by completing the *Change your investments* form available at **spiritsuper.com.au/forms**.

The cut off time for switch requests is 4pm AEST/AEDT on a business day. Requests received after 4pm AEST/AEDT or submitted online on a national public holiday or weekend will be processed effective the following business day.

How your account balance is calculated

We use unit pricing to apply investment returns to, and calculate, member account balances (depending on the investment option/s you're invested in).

How does it work?

Your investment with us is recorded as a number of units. Your account balance is determined as the number of units you hold in each investment option multiplied by the unit price of that option. Each time you invest in an investment option (eg by making contributions), you buy units. Each time you reduce your investment in an option (eg by making a withdrawal), you sell units. This is shown below.

You buy units when you:

- add money to your account such as contributions or rollovers
- invest or transfer money into an investment option.

You sell units when you:

- withdraw or rollover money out of your account
- pay fees and costs (including insurance fees) and taxes that are deducted directly from your account
- withdraw or transfer money out of an investment option.

We aim to invest your contributions and rollovers in your account as quickly as possible. In most cases, funds are invested in your account automatically as soon as the funds are received, but other times it may take longer. Regardless of how long it takes to invest the funds into your account, we'll apply the unit price for your chosen investment option/s for future transactions effective on the business day that we received the money[11]. This means that you won't miss out on investment earnings while we process your contribution or rollover (noting that investment returns can be positive or negative). Interest earned on the funds while held in the trustee's fund account before it's invested in your account isn't passed on.

[11]Funds received after 4pm AEST/AEDT on a business day, or on a national public holiday or weekend, will be processed effective the following business day.

How is the unit price determined?

Unit prices are calculated by dividing the value of the assets in the option[12] by the number of units issued. As the value of these assets and liabilities can go up or down, the unit prices for the different investment options can also go up or down.

A new unit price will be set, typically each business day[13] for each investment option, reflecting the changing value of the underlying assets in the investment option/s and applicable fees and costs.

Normally, unit prices will be determined for each business day and be posted to **spiritsuper.com.au/investments/investment-options**.

We may defer or delay the determination of unit prices whenever we consider this to be in the best financial interests of members.

For historical performance information and the latest unit prices, visit **spiritsuper.com.au/investments/investment-options**. Past investment performance isn't a reliable indicator of future performance.

[12]That's after allowing for applicable fees and costs (including fees paid to investment managers) and taxes that are taken into account when determining unit prices. | [13]A business day is generally considered to be Monday through Friday and excludes weekends and national public holidays.

What happens to your investments when you pass away?

When we're advised you've passed away, we switch your account balance to the Cash investment option to protect your money against potential negative returns while we're assessing payment of your benefit.

For more details, read our *Making a death claim* fact sheet available at **spiritsuper.com.au/forms/factsheets**.

More information

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