

Investment Options



LifeBuilder | ChildBuilder | FuneralBond



Outthinking today.

About this Investment Options booklet

This document forms part of the Product Disclosure Statement for the following products, referred to in this document as 'Generation Life investment bonds':

- Generation Life LifeBuilder
- Generation Life ChildBuilder
- Generation Life FuneralBond

A reference to 'the Product Disclosure Statement' in this document is a reference to the Product Disclosure Statement for the Generation Life investment bonds and all of the statements and information incorporated by reference (including this document) as described and listed in the Product Disclosure Statement for the Generation Life Investment Bonds.

You should also read the Product Disclosure Statement and all statements and information incorporated by reference into the Product Disclosure Statement before making a decision about the relevant product.

The Product Disclosure Statement is issued by Generation Life Limited ('Generation Life', 'we', 'our' or 'us') ABN 68 092 843 902 AFS Licence 225408. If any part of the Investment Option booklet (such as a term or condition) is invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

LifeBuilder, ChildBuilder and FuneralBond are investment bonds offered through the Generation Life Benefit Funds. Generation Life is a regulated life insurance company within the meaning of the Life Insurance Act 1995.

Investments in the investment bonds are subject to investment risk, including loss of income and capital invested. None of Generation Life, its parent company or any related entities promise or guarantee the performance of the investment bonds (whether express or implied) including any particular level of investment returns or that they will achieve their investment objectives or the return of your capital invested. Past performance is not indicative of future performance.

The issue of this Investment Options booklet and the Product Disclosure Statement is authorised solely by Generation Life. Apart from Generation Life, neither its parent company nor any of its related entities are responsible for any statement or information contained within the Product Disclosure Statement relating to the investment bonds.

The information provided in the Product Disclosure Statement is general information only and does not take account of your personal financial or taxation situation or needs. You should consider obtaining financial advice relevant to your personal circumstances before investing.

Distribution of the Product Disclosure Statement (including over the internet or by other electronic means) in jurisdictions outside of Australia may be subject to legal restrictions. Therefore, any person residing outside Australia who receives or accesses the Product Disclosure Statement should seek independent legal advice. If you have received the Product Disclosure Statement over the internet (or by other electronic means) and would like a copy of the printed Product Disclosure Statement, you can have one sent free of charge on request. The Product Disclosure Statement does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation. Initial applications for investment can only be made on an application form which accompanies the Product Disclosure Statement.


ChildBuilder and LifeBuilder are trademarks of Generation Life. Third party trademarks are used in the Product Disclosure Statement with the consent of their owners.

The investment managers of the options available for investment through Generation Life investment bonds have given, and not withdrawn their consent to be included in the Product Disclosure Statement in the form and context in which they are included. The investment managers are acting as investment managers only for the relevant options. They are not issuing, selling, guaranteeing, underwriting or performing any other function in relation to the options. Generation Life reserves the right to outsource any or all of its investment management functions, including to related parties, without notice to investors.



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Constructing your investment portfolio

You can build your own portfolio by investing in single asset investment options or use diversified investment options to suit your desired risk profile. We recommend that you consult a financial adviser to assist you in determining these.

One of the significant risks of investing is that your investment strategy doesn't reflect your financial goals. It's important to consider your investment timeframe, your investment goals and your risk tolerance.

Diversifying your investments helps manage market volatility and risk across your investment portfolio. Through Generation Life Investment Bonds you can diversify your portfolio in three ways.

1. Within each asset class

Our investment options invest in a range of underlying securities and assets within an asset class. This means that returns will be less dependent on the performance of a single security or asset. This diversification can help reduce the overall security or asset specific risk of your investment.

2. Investing in a range of asset classes

Spreading your investment exposure across different asset classes can help reduce the impact of volatility in returns. You can also spread your exposure across different markets and geographical regions.

3. Investing in different investment styles

Different fund managers have different investment styles and approaches which can perform differently depending on market conditions. Using a mix of investment managers in your portfolio can help smooth out performance volatility and reduce investment manager risk.

Your financial adviser can help you understand investment risk and design an investment strategy for you.

How are Generation Life's investment options structured?



Investment structure

When you invest in an investment option your money is combined with other investors that have selected the same investment option in a fund managed by us. All investment options (through their particular fund) invest in assets either directly (by holding the securities or assets through a mandate arrangement) or indirectly through an underlying managed fund or pooled arrangements that invests in asset classes in accordance with the investment option's guidelines.

What is a mandate?

A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. A mandate structure means that the investments are managed separately on our behalf and are not pooled with the external investment manager's other investors or invested in one of the investment manager's wholesale investment schemes. Therefore, the performance of a mandate may differ from the underlying investment manager's wholesale investment scheme. However, using mandates gives us greater flexibility, including better management of tax outcomes.

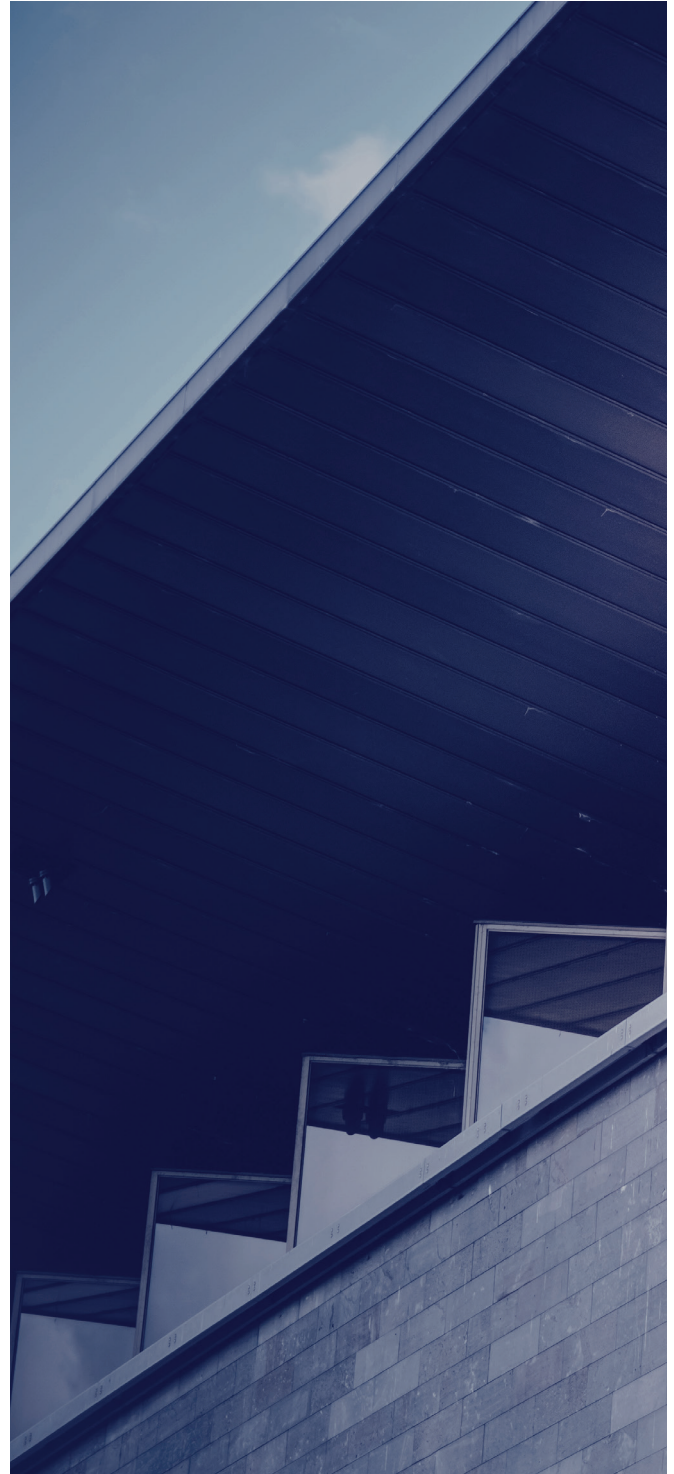
Accessing the underlying investment assets

We may invest directly in the underlying investment assets or indirectly through managed investment schemes to gain exposure and administrative efficiencies.

Tax Optimised and Tax Enhanced options

All investment options are managed under the Generation Life Tax Aware management process with the aim of delivering a tax-efficient investment outcome. In the case of the Tax Enhanced and Tax Optimised series of investment options, further levels of tax optimisation are provided with the aim of delivering higher levels of tax efficiency and improved after-tax returns for the respective investment strategies.

You can find out more about our Tax Enhanced and Tax Optimised series of investment options in the 'Tax Aware investing' section of the Product Disclosure Statement.





Our investment selection process



Appointed investment managers are subject to initial and ongoing reviews. We regularly monitor and review our investment managers to ensure they continue to meet their stated objectives, performance expectations and our investment requirements.

In constructing and reviewing our appointed investment managers we consider a number of factors in our assessment which may include:

- the objectives of the investment strategy;
- the capabilities and experience of the investment manager;
- the investment manager's approach or investment style;
- the investment manager's investment processes;
- performance track record against the stated investment objective; and
- how risk is managed by the investment manager.



To ensure that we continue to offer a suitable range of investment options, we may change the investment options, including the investment objectives, strategies and investment managers at any time. We may from time-to-time add, remove, or replace investment options or investment managers, or change exposure weightings to the investment options. We may also close an investment option or cease to accept new contributions (including by switching) into any of the investment options.

We will notify affected investors of any material changes to the investment options as required by law. Updated information about our investment options, investment managers and investment strategies can be found on our website www.genlife.com.au

Responsible Investing



Generation Life offer responsible investing options to help you invest based on your values.

Responsible Investing is commonly used to describe a strategy or practice that considers Environmental, Social and Governance (ESG) factors in the analysis, investment decisions and ownership of an investment. These factors can be known to at times to affect the risk and return of investments.

The strategies underpinning the Responsible Investing options are constructed with the objective of investing in companies and assets that improve long-term investor value while also taking a position to seek to improve outcomes for society.



Types of Responsible Investing approaches that may be used

Exclusionary (or negative screening) – excludes certain sectors, countries and securities from an investment universe where the activities do not align with investors or global standards.

Inclusionary (or positive screening) – proactively investing in sectors or companies that demonstrate ‘best in class’ environmental, social or governance practices.

Minimum standards screening – excluding investments that do not meet minimum standards or practices regarding environmental, social or governance practices.

Impact investing – targets investments with the objective of generating a positive social or environmental impact plus a level of financial return.

ESG integration – utilises ESG information together with financial analysis as part of the investment research and decision-making process.

Active ownership – the use of various resources (internal or external) to positively influence corporate behaviour on ESG-related issues. This can include advocacy efforts, engagement with corporate decision-makers and voting in support of good governance.

Sustainability – investing based specifically on addressing social or environmental challenges.

Examples of ESG factors

Environmental factors	Social factors	Governance factors
Climate change and greenhouse gases	Supply chains	Board makeup
Pollution and emissions	Privacy protection	Conflicts of interest
Biodiversity	Gender and diversity	Bribery and corruption
Deforestation	Employee engagement	Executive compensation
Energy efficiency	Community relations	Lobbying and political contributions
Waste disposal and management	Human rights	Transparency and reporting
Water usage	Labour standards	Whistleblower schemes

Our investment options menu includes a number of investments where Responsible Investing strategies are implemented. Each Responsible Investing investment option will have a different focus on the core ESG factors and use different approaches to investing.

Responsible Investing managers

Generation Life offers Responsible Investing investment options managed by leading Australian and international fund managers.

The investment menu also provides a managed model portfolio option, where manager selection and asset allocation are undertaken by an independent investment consultant. This option provides a convenient way of accessing Responsible Investing strategies with a multi-manager approach designed to provide further diversification benefits.

Our approach to selecting Responsible Investing investment options

Generation Life's range of Responsible Investing investment options have been developed based on an approach of providing a diverse level of exposure to a number of Responsible Investing strategies. The underlying investment approach for each of the Responsible investing options offered vary from asset/strategy specific through to multi-asset/multi-strategy approaches.

Irrespective of the underlying strategies employed, the fundamental criteria of focusing on financial outcomes while considering the impact of the underlying investment on society must be demonstrated by the investment managers as part of our review and monitoring process.

In constructing and monitoring our menu of Responsible Investing investment options on an ongoing basis, a number of quantitative and qualitative factors are considered by Generation Life's investment team including:

- ESG ratings from external data and research providers;
- the level of integration of responsible investment principles into the investment manager's processes;
- the investment manager's capabilities;
- performance track record (against stated objectives); and
- other research undertaken by the team.

Importantly however, we do not assess or stipulate a particular approach to Responsible Investing, ESG factors or screens that investment managers may apply. Our Responsible investment options are designed to provide a varied choice of options to cater for investors with different social values and investment objectives. The overarching objective for the investment managers is to provide positive financial outcomes while considering ESG and other factors in the process.

Except for the determination of our sustainability range of investment options, we do not consider labour standards or environmental, social or ethical considerations in our investment decisions. However, we do have an overall policy of always acting legally, acting in the best interests of investors, and dealing with parties who, to the best of our knowledge, are reputable organisations. The investment managers may have their own policies on the extent to which labour standards, environmental, social or ethical considerations are considered in their investment processes.

Investment managers



Access to a range of investment managers to meet your risk and return objectives

We aim to give you access to a range of leading Australian and international investment managers and provide you with the flexibility to change and switch investment options. Our selected investment managers are experienced and well regarded with a proven track record of delivering superior long- term performance.



Affirmative Investment Management (AIM) is a global fixed income manager focused on delivering mainstream market returns with impact. AIM is the world's first fund manager to dedicate their investment strategy to impact bonds (i.e. labelled green bonds, social bonds and sustainable bonds). AIM's innovative formula is a fusion of mainstream portfolio management and sustainability. This approach is new in the marketplace and draws on the experience of a team of leading experts in investment and sustainability, providing positive solutions to global challenges. AIM's focus is to promote robust verification and reporting, along with active engagement, whilst ensuring repeatable performance and sustainable impact. Established in 2014 by Stephen Fitzgerald and Stuart Kinnersley, AIM is 100% owned by its employees and headquartered in London, with offices in Washington and Sydney. AIM is comprised of like-minded investment professionals who are advocates for social and environmental change. The company was instrumental in the evolution of green bonds and has the longest track record in the impact bond market.



AMP Capital is a global investment manager with a large presence in Australia. As part of the AMP Group, AMP Capital shares a heritage that spans over 170 years. Its home strength in Australia and New Zealand has enabled it to grow internationally, and today it has operations established in the Dubai, China, Hong Kong, India, Ireland, Japan, Luxembourg, the United Kingdom and the United States. AMP Capital also collaborates with a network of global investment partners, leveraging their shared capabilities to provide greater access to new investment opportunities. AMP Capital's asset class specialists, investment strategists and economists work together with the aim of delivering strong investment outcomes for clients. That is why its clients trust them to invest over A\$192.4 billion (as at 31 March 2020) on their behalf, across a range of single sector and diversified funds.



Formed in 2008 by its four founding principles, Ardea is a boutique fixed income investment manager with a focus on delivering stable, risk-controlled returns to investors. With extensive capabilities across inflation linked and nominal bonds, as well as credit and cash markets, Ardea has a long and successful track record in managing fixed income portfolios from traditional, defensive products, inflation-linked bonds and benchmark unaware and objectives-based solutions. Across all of these strategies, the team seeks to identify and exploit inefficiencies to deliver excess returns over and above the relevant benchmark with comparatively low risk.



Bennelong Australian Equity Partners (BAEP) is a boutique fund manager focused on investing in Australian listed equities. The business was founded in 2008 by Mark East in partnership with Bennelong Funds Management and is an award-winning and highly rated fund manager. As Chief Investment Officer, Mark East is responsible for the funds BAEP manages on behalf of its retail and institutional clients.

About BlackRock

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, its clients turn to it for the solutions they need when planning for their most important goals. As of 30 June 2020, the firm managed approximately US\$7.32 trillion in assets on behalf of investors worldwide.



About iShares

iShares unlocks opportunity across markets to meet the evolving needs of investors. With more than twenty years of experience, a global line-up of 900+ exchange traded funds (ETFs) and US\$2.16 trillion in assets under management as of 30 June 2020, iShares continues to drive progress for the financial industry. iShares funds are powered by the expert portfolio and risk management of BlackRock, trusted to manage more money than any other investment firm (based on US\$7.32 trillion in assets under management as of 30 June 2020).



DFA Australia Limited is the Australian subsidiary of the US-based Dimensional Fund Advisors LP (Dimensional), which was founded in 1981. With clients around the world, Dimensional has 13 offices in nine countries and global assets under management of A\$745 billion as at 30 June 2020. Dimensional manages assets for institutional investors and clients of registered financial advisors. For more than three decades, Dimensional has been combining rigorous academic research with practical experience to deliver real-world investment solutions. Using this approach, Dimensional seeks to deliver investment solutions that add value through careful design, implementation and execution.



Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer. As Australia's leading specialist trustee company, it offers a diverse range of services to individuals, families and corporate clients including asset management, estate planning, philanthropic services and Responsible Entity services for external Fund Managers. Equity Trustees is the brand name of EQT Holdings Limited (ABN 22 607 797 615) and its subsidiary companies, publicly listed company on the Australian Securities Exchange (ASX: EQT) with offices in Melbourne, Bendigo, Sydney, Brisbane, Perth, New York, London and Dublin.



Evergreen Consultants is an independent investment consultant that works with Australia's best financial advisers and others to provide a range of bespoke investment solutions. Founded in 2016 by industry veterans, Evergreen is now recognised as one of the pre-eminent providers of investment consulting services in Australia. Evergreen is a specialist in end-to-end investment consulting: fund and security selection, sustainability and ESG analysis, asset allocation, portfolio construction and reporting and analytics services. With a team of experienced investment professionals with over 170 years of relevant experience, well defined investment processes and robust proprietary analytical systems, Evergreen is well positioned to provide best in class sustainable investment solutions using a multi-manager approach.



Firetrail Investments Pty Limited (Firetrail) is an active investment manager, specialising in high conviction equities investing. Firetrail is an investment management boutique that is majority owned by its investment staff. Firetrail employs a fundamental investment approach to the Fund's long portfolio to identify companies that it believes are undervalued over the medium term. Firetrail employs fundamental and systematic investment techniques with the aim of generating positive returns and mitigating risk. The investment style is unconstrained, which means Firetrail will invest in both 'growth' and 'value' companies, as well as across diverse industries and sectors. Firetrail employs a bottom-up approach to portfolio construction. Risk management is integrated throughout the process to understand and control stock specific, macroeconomic and market risk.



Franklin Resources, Inc., is a global investment management organisation, operating as Franklin Templeton, which is headquartered in California. Franklin Resources, Inc., provides, through its subsidiaries, deep investment expertise across all asset classes - including equity, fixed income and multi-asset solutions. Franklin Templeton provides centralised business and distribution support for all of its specialist investment managers, which includes world-renowned investment managers such as Brandywine Global, Clarion Partners, Martin Currie and Western Asset. Franklin Templeton has helped clients in more than 160 countries achieve their financial goals for more than 70 years with over USD \$1.4 trillion in assets under management as at 30 June 2020.



GMO Australia is wholly owned by Grantham, Mayo, Van Otterloo & Co. LLC (GMO). GMO is a global investment manager that brings together focused expertise within its investment teams, industry-leading research and tailored client service to advance its clients' goals. Privately owned and renowned for its conviction in a valuation-based, long-term investment philosophy, GMO has been a partner to institutions, family offices, wealth managers and consultants for over 40 years. GMO's global offices include the firm's headquarters in Boston and offices in San Francisco, London, Amsterdam, Singapore and Sydney. GMO manages over A\$80 billion globally (as at 30 June 2020).



Hyperion Asset Management (Hyperion) was established in 1996 and manages approximately \$6 billion for industry and public funds as well as for many private investors. Its mindset is centered on achieving attractive long-term absolute positive real (inflation adjusted) returns on its clients' portfolios. Its investment philosophy and process are designed to compound its clients' capital at rates of return that are not only positive in absolute (inflation adjusted) terms but also materially above the relevant passive benchmarks over long time horizons. Compounding returns on capital are core to how it invests and how it seeks to grow its clients' capital.



Investors Mutual Ltd (IML) is a specialist Australian equity manager based in Sydney. IML has a conservative investment style with a long-term focus and aims to deliver consistent returns for clients. IML achieves this through the disciplined application of a fundamental and value-based approach to investing. IML was established in 1998 and has approximately \$6.0 billion in funds under management as at 30 June 2020.



Kapstream Capital manages over A\$17.2 billion from offices in Sydney and Newport Beach, California. Kapstream invest by setting absolute return targets and absolute risk limits, creating portfolios that are constructed using predominantly investment grade assets that more closely meet the 'real return' requirements of investors, in delivering consistent and positive returns. Since July 2015 Kapstream has operated as an autonomous 'boutique' subsidiary of Janus Henderson Investors.



Macquarie Investment Management Global Limited, forms part of the Macquarie Group's investment management business, Macquarie Investment Management. Macquarie Investment Management delivers a full-service offering across a range of asset classes including fixed interest, listed equities (domestic and international) and infrastructure securities to both institutional and retail clients in Australia and the US, with selective offerings in other regions.



Magellan is a specialist funds management business based in Sydney that manages global equities and global listed infrastructure strategies for high net worth, retail and institutional investors. Magellan is a wholly owned subsidiary of the ASX listed Magellan Financial Group (ASX code: MFG).



MFS International Australia Pty Ltd (MFSIA) is the investment manager of the MFS Concentrated Global Equity Trust (Trust) and a member of the MFS Investment Management group of companies (MFS). Established in 1924, MFS is an active, global asset manager with investment offices in Boston, Hong Kong, London, Mexico City, São Paulo, Singapore, Sydney, Tokyo and Toronto. MFSIA has delegated the investment management of the Trust to another member of MFS, MFS Institutional Advisors, Inc., a US SEC registered investment adviser. MFS is a member of the Sun Life Financial group of companies.



MLC has been looking after the investment needs for generations of Australians. MLC believes the best way to manage portfolios is to employ the skills of multiple specialist investment managers. MLC's investment experts have extensive knowledge and experience at designing and managing portfolios using a multi-manager investment approach.



Mutual Limited

Mutual is an independently owned investment manager and adviser with total funds under management and advice as at 30 June 2020 exceeding \$2.7 billion. The company specialises in investment mandates and advisory roles for prudentially supervised institutions (including APRA regulated institutions). Mutual manages and advises individual wholesale clients under tailored investment management agreements. Its investment expertise covers short-term securities, fixed interest and Australian shares.



Pendal Institutional Limited (Pendal) is an independent, global investment management business focused on delivering superior investment returns for its clients through active management. Pendal offers investors a range of Australian and international investment choices including shares, property securities, fixed income and cash strategies, as well as multi-asset and responsible investments. To complement its in-house expertise, Pendal also partners with leading global investment managers. Pendal is a wholly owned subsidiary of Pendal Group Limited. With \$89.4 billion in funds under management (as at 30 June 2020), Pendal Group Limited is one of Australia's largest and most enduring pure investment managers (ASX: PDL).



Perpetual Investments is one of Australia's most highly regarded and awarded investment managers, with \$28.4 billion in funds under management (as at 30 June 2020). Perpetual Investments is part of the Perpetual Group, which has been in operation for over 130 years. By employing one of the most experienced and highly regarded investment teams in Australia and applying a proven investment philosophy, Perpetual Investments has been able to help generations of Australians manage their wealth. Perpetual Investments has appointed specialist investment manager Barrow, Hanley, Mewhinney & Strauss, LLC (Barrow Hanley) to manage the Perpetual Wholesale International Share Fund. With funds under management of A\$63.9 billion across 21 key strategies, as at 30 June 2020, Barrow Hanley is a diversified investment manager that invests with a value orientation across US equities, global equities, global emerging markets equities and fixed income strategies with offices in Dallas, and a presence in London and Hong Kong.

PIMCO

PIMCO Australia Pty Limited (PIMCO) is a member of the PIMCO Group, one of the largest investment managers in the world. As the investment manager, PIMCO will make investment decisions in relation to the funds. PIMCO Group's history dates back to 1971 when it was established as a specialist fixed interest manager. The PIMCO Group has its head office in the USA with offices located in Hong Kong, Toronto, Munich, Sydney, Singapore, Tokyo, London, Milan, São Paulo, Taipei, Zurich and Bermuda.



Russell Investments is a global investment solutions provider and is one of only a few firms that offers actively managed multi-asset portfolios and services that include advice, investments and implementation. Russell Investments provides solutions for institutional investors, financial advisers and individuals working with their advisers - using the firm's core capabilities that extend across capital market insights, manager research, asset allocation, portfolio implementation and factor exposures - to help each achieve their desired investment outcomes. The firm has over A\$413 billion in assets under management (as of 30 June 2020).



Redpoint is a boutique Australian investment manager that specialises in listed asset classes including Australian equities, international equities, global infrastructure and global property. Redpoint has brought together a significant group of seasoned investment specialists with complementary skills with a shared vision of delivering risk efficient and cost-effective investment solutions to their clients. The RedPoint team have been managing systematic Australian and global equity strategies for over 20 years. RedPoint currently manages approximately \$10 billion for institutional and retail clients across a range of domestic and global equity strategies.

Schroders

Schroders is one of the largest and most internationally diverse independent investment managers providing investment management, research and marketing services from offices located in 29 countries across Europe, the Americas, Asia and the Middle East. Schroders in Australia was established in 1961 and its domestic research and investment teams are an integral part of Schroders global network. As at 30 September 2020 Schroders managed over A\$967 billion on behalf of clients around the globe, and over A\$33 billion on behalf of clients domestically.



Stewart Investors is a semi-autonomous business and a sub-brand of First Sentier Investors. Headquartered in Edinburgh, with offices in London, Singapore and Sydney, they have a distinct culture and investment philosophy that has been in place for more than three decades, since the launch of their first investment strategy in 1988. At the heart of this philosophy is the principle of stewardship – careful, considered and responsible management of clients' funds in accordance with their Hippocratic Oath. Stewart Investors manage a focused suite of long-only equity strategies investing in Asia Pacific, Global Emerging Markets and Worldwide. They are pioneers of sustainable investing and launched the first of their explicit sustainability funds in 2005.



With more than A\$6.9 trillion in assets under management as of 30 June 2020 including more than A\$1.2 trillion in ETFs, Vanguard is one of the world's largest global investment management companies. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for more than 20 years.

WALTER SCOTT

Walter Scott is an independent global investment manager established in 1983, in Edinburgh, Scotland. Walter Scott is a classical, fundamental and long-term growth manager with a wealth of experience in global equity investment. Since inception, Walter Scott has remained wholly committed to global equity investing. Its core conviction is that over the long term, return to shareholders can only ever be as great as the wealth generated by the underlying businesses in which they are invested. The firm is a subsidiary and 100% owned by the Bank of New York Mellon Corporation.

Our investment options range





Depending on your investment goals and the investment amount you have to invest, you can choose a single investment option or multiple investment options. Detailed in the following pages is a summary of the investment options offered by Generation Life Investment Bonds. For more details and any updated information about the investment options, visit our website or contact us.



You should discuss the investment option(s) appropriate to you with your financial adviser.

Diversified multi-sector options
























Risk/volatility	Investment category	Investment option	Tax aware level	Page
Low to Medium	Diversified conservative	MLC Horizon 2 Income Portfolio	 Tax Enhanced	17
Low to Medium	Diversified conservative	Perpetual Wholesale Conservative Growth Fund	 Tax Enhanced	17
Low to Medium	Diversified conservative	Vanguard Conservative Portfolio	 Tax Optimised	17
Medium	Diversified balanced	MLC Horizon 3 Conservative Growth Portfolio	 Tax Enhanced	18
Medium to High	Diversified balanced	Dimensional World 50/50 Portfolio	 Tax Optimised	18
Medium to High	Diversified balanced	Vanguard Balanced Portfolio	 Tax Optimised	18
Medium to High	Diversified growth	Schroder Real Return Fund	 Tax Enhanced	19
High	Diversified growth	Dimensional World 70/30 Portfolio	 Tax Optimised	19
High	Diversified growth	MLC Horizon 4 Balanced Portfolio	 Tax Enhanced	19
High	Diversified growth	Perpetual Wholesale Balanced Growth Fund	 Tax Enhanced	20
High	Diversified growth	Russell Investments Balanced Fund	 Tax Enhanced	20
High	Diversified growth	Vanguard Growth Portfolio	 Tax Optimised	20
High	Diversified high growth	MLC Horizon 6 Share Portfolio	 Tax Enhanced	20
High	Diversified high growth	Vanguard High Growth Portfolio	 Tax Optimised	21


Index options

Risk/volatility	Investment category	Investment option	Tax aware level	Page
Medium	Australian fixed interest	iShares Wholesale Australian Bond Index Fund	 Tax Enhanced	21
High	Australian shares	iShares S&P/ASX20 ETF Portfolio	 Tax Enhanced	21
High	Australian shares	iShares Wholesale Australian Equity Index Fund	 Tax Enhanced	21
High	International shares	iShares Wholesale International Equity Index Fund	 Tax Enhanced	22




Risk/volatility	Investment category	Investment option	Tax aware level	Page
High	International shares - hedged	iShares Hedged International Equity Index Fund	 Tax Enhanced	22
High	Property	iShares Wholesale Australian Listed Property Index Fund	 Tax Enhanced	22

Single sector options

Risk/volatility	Investment category	Investment option	Tax aware level	Page
Very Low	Cash & deposits	Macquarie Treasury Fund	 Tax Advantage	22
Very Low	Cash & deposits	Generation Life Term Deposit Fund	 Tax Advantage	23
Low	Australian fixed interest	Mutual ADI/Bank Securities	 Tax Advantage	23
Low	Diversified fixed interest	Ardea Real Outcome Fund	 Tax Advantage	23
Low	Diversified fixed interest	Kapstream Absolute Return Income Fund	 Tax Enhanced	23
Low to Medium	Australian fixed interest	PIMCO Wholesale Australian Bond Fund	 Tax Enhanced	24
Low to Medium	Diversified fixed interest	Schroder Absolute Return Income Fund	 Tax Enhanced	24
Low to Medium	International fixed interest	PIMCO Wholesale Global Bond Fund	 Tax Enhanced	24
Medium	Australian fixed interest - mortgages	EQT Wholesale Mortgage Income Fund	 Tax Advantage	24
Medium to High	Alternatives	GMO Systematic Global Macro Trust	 Tax Advantage	30
Medium to High	Diversified fixed interest	Pendal Enhanced Credit Fund	 Tax Enhanced	25
High	Alternatives - market neutral	Firetrail Absolute Return Fund	 Tax Enhanced	30
High	Australian property	Legg Mason Martin Currie Real Income Fund	 Tax Enhanced	30
High	Australian shares	Bennelong Concentrated Australian Equities Fund	 Tax Enhanced	25
High	Australian shares	BlackRock High Conviction Australian Equity Fund	 Tax Optimised	25
High	Australian shares	Generation Life Tax Effective Australian Share Fund	 Tax Optimised	26
High	Australian shares	Investors Mutual Australian Share Fund	 Tax Enhanced	26
High	Australian shares	Legg Mason Martin Currie Equity Income Fund	 Tax Optimised	26
High	Australian shares	Perpetual Wholesale Australian Share Fund	 Tax Optimised	27
High	Australian shares - small & mid companies	Investors Mutual Future Leaders Fund	 Tax Enhanced	26
High	International property	AMP Capital Global Property Securities Fund	 Tax Enhanced	31
High	International property	Magellan Infrastructure Fund	 Tax Enhanced	31
High	International shares	Dimensional World Equity Portfolio	 Tax Optimised	27


Risk/volatility	Investment category	Investment option	Tax aware level	Page
High	International shares	Hyperion Global Growth Companies Fund	 Tax Enhanced	28
High	International shares	Magellan Global Fund	 Tax Optimised	28
High	International shares	MFS Concentrated Global Equity Trust	 Tax Enhanced	28
High	International shares	Perpetual Wholesale International Share Fund	 Tax Enhanced	29
High	International shares - emerging markets	Legg Mason Martin Currie Emerging Markets Fund	 Tax Enhanced	29
High	International shares - hedged	Walter Scott Global Equity Fund (Hedged)	 Tax Enhanced	29
Very High	Australian shares - geared	Perpetual Wholesale Geared Australian Share Fund	 Tax Enhanced	27
Very High	International shares - small companies	Dimensional Global Small Company Trust	 Tax Enhanced	30

Responsible Investing options


Risk/volatility	Investment category	Investment option	Tax aware level	Page
Medium	International fixed interest	Affirmative Global Bond Fund	 Tax Enhanced	31
High	Australian shares	Pendal Sustainable Australian Share Fund	 Tax Enhanced	32
High	Australian shares	Perpetual Wholesale Ethical SRI Fund	 Tax Enhanced	32
High	Diversified growth	Dimensional Sustainability World Allocation 70/30 Trust	 Tax Enhanced	32
High	Diversified growth	Pendal Sustainable Balanced Fund	 Tax Enhanced	33
High	Diversified growth	Evergreen Responsible Growth Model	 Tax Optimised	33
High	International shares	Stewart Investors Worldwide Sustainability Fund	 Tax Enhanced	33

DIVERSIFIED MULTI-SECTOR - CONSERVATIVE


MLC Horizon 2 Income Portfolio

Sector Diversified - conservative	Investment manager MLC Investments Limited	Tax aware level  Tax Enhanced
Objective Aims to outperform the benchmark (before fees and tax) over 3-year periods. The manager aims to achieve this by actively managing the fund. This includes changing the fund's asset allocation to reduce risk if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.	Investment approach The benchmark asset allocation has a strong bias to defensive assets and some exposure to growth assets. The manager actively looks for opportunities to provide better returns, or less risk, than those generated by the benchmark asset allocation and to manage the fund's exposure to the risks of investing in markets.	Allocation guidelines Cash 0-25% Fixed interest 30-75% Australian shares 0-25% International shares 0-25% Property 0-15% Defensive alternatives 0-15% Growth alternatives 0-15%
Suggested minimum length of investment 3 years	Risk level⁵ 3 – Low to Medium	

Perpetual Wholesale Conservative Growth Fund


Sector Diversified - conservative	Investment manager Perpetual Investments	Tax aware level  Tax Enhanced
Objective Aims to provide moderate growth over the medium term and income through investment in a diversified portfolio with an emphasis on cash and fixed income securities; to outperform the All Groups CPI + 3.5% p.a. (before fees and tax) over at least two-year periods and to outperform a composite benchmark (before fees and tax) reflecting its allocation to the various asset types over rolling 3-year periods.	Investment approach The fund invests in a diverse mix of growth, defensive and other assets, with a focus on cash and fixed income securities. Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the Allocation guidelines. Currency is managed at the fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Net foreign currency exposure will be limited to 50% of the gross asset value of the fund. Derivatives and exchange traded funds may be used in managing each asset class.	Allocation guidelines Cash 5-55% Fixed income and credit 15-65% ⁶ Australian shares 0-25% ⁷ International shares 0-20% ⁷ Property 0-10% Other 0-30% ⁸
Suggested minimum length of investment 3 years	Risk level⁵ 3 – Low to Medium	

Vanguard Conservative Portfolio

Sector Diversified - conservative	Investment manager Vanguard Investments	Tax aware level  Tax Optimised
Objective Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio, before taking into account fees, expenses and tax.	Investment approach The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard Conservative Index strategy and is biased towards income assets. It is designed for investors with a low tolerance for risk. The fund targets a 70% allocation to income asset classes and a 30% allocation to growth asset classes.	Allocation guidelines Cash 8-12% Australian fixed interest 16-20% International fixed interest 40-44% Australian shares 10-14% International shares 10-26%
Suggested minimum length of investment 3 years	Risk level⁵ 3 – Low to Medium	

DIVERSIFIED MULTI-SECTOR - BALANCED


MLC Horizon 3 Conservative Growth Portfolio

Sector Diversified - balanced	Investment manager MLC Investments Limited	Tax aware level  Tax Enhanced
Objective Aims to outperform the benchmark (before fees and tax) over 3-year periods. The manager aims to achieve this by actively managing the fund. This includes changing the fund's asset allocation to reduce risk if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.	Investment approach The benchmark asset allocation has an approximately equal exposure to growth and defensive assets. The manager actively looks for opportunities to provide better returns, or less risk, than those generated by the benchmark asset allocation and to manage the fund's exposure to the risks of investing in markets.	Allocation guidelines Cash 0-20% Fixed interest 25-65% Australian shares 5-35% International shares 5-35% Property 0-15% Defensive alternatives 0-15% Growth alternatives 0-15%
Suggested minimum length of investment 4 years	Risk level⁵ 4- Medium	

Dimensional World 50/50 Portfolio


Sector Diversified - balanced	Investment manager DFA Australia	Tax aware level  Tax Optimised
Objective The portfolio aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets, and domestic and global fixed interest securities.	Investment approach The portfolio will gain its exposure by investing in strategies managed by Dimensional that invest in equity, real estate and fixed interest securities. The portfolio will seek to target approximately 50% exposure to equities and 50% exposure to fixed interest assets.	Allocation guidelines Fixed interest 40-60% Australian shares 8-28% International shares 15-43.5% Property 0-8.5%
Suggested minimum length of investment 4 Years	Risk level⁵ 5 - Medium to High	

Vanguard Balanced Portfolio

Sector Diversified - balanced	Investment manager Vanguard Investments	Tax aware level  Tax Optimised
Objective Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio before taking into account fees, expenses and tax.	Investment approach The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard Balanced Index strategy and is equally invested in income and growth assets. It is designed for investors with a medium tolerance for risk. The portfolio targets a 50% allocation to income asset classes and a 50% allocation to growth asset classes	Allocation guidelines Cash 0-1% Australian fixed interest 13-17% International fixed interest 33-37% Australian shares 18-22% International shares 22-38%
Suggested minimum length of investment 3 years	Risk level⁵ 5 - Medium to High	

DIVERSIFIED MULTI-SECTOR - GROWTH


Schroder Real Return Fund

Sector Diversified - growth	Investment manager Schroders	Tax aware level  Tax Enhanced
Objective To achieve a return of CPI plus 4% to 5% p.a. (before fees and tax) over rolling 3-year periods while minimising the incidence and size of negative returns in doing so. CPI is defined as the Reserve Bank of Australia's Trimmed Mean, as published by the Australian Bureau of Statistics.	Investment approach The manager's approach to inflation plus (or real return) investing is to choose the portfolio that has the highest probability of achieving the required return objective over the investment horizon with the least expected variability around this objective. The fund employs an objective based asset allocation framework in which both asset market risk premium, and consequently the asset allocation of the portfolio are constantly reviewed. The portfolio will reflect those assets that in combination are most closely aligned to the delivery of the objective.	Allocation guidelines Investments are predominantly in traditional assets, with no leverage and strict limits on exposure to liquidity constrained alternatives which enhances the transparency and liquidity of the portfolios. Assets are classified in three broad types of investments according to the likely returns and the risk: <ul style="list-style-type: none"> • Growth assets, typically shares and property securities; • Diversifying assets, typically higher yielding debt, objective based investments and alternatives; and • Defensive assets, typically investment grade debt securities, cash and equivalent investments. Growth assets 0-75% Diversifying assets 0-75% Defensive assets 0-100%
Suggested minimum length of investment 3 Years	Risk level⁵ 5 – Medium to High	


Dimensional World 70/30 Portfolio

Sector Diversified - growth	Investment manager DFA Australia	Tax aware level  Tax Optimised
Objective The portfolio aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets, and domestic and global fixed interest securities.	Investment approach The portfolio will gain its exposure by investing in strategies managed by Dimensional that invest in equity, real estate and fixed interest securities. The portfolio will seek to target approximately 70% exposure to equities and 30% exposure to fixed interest assets.	Allocation guidelines Fixed interest 20-40% Australian shares 15-35% International shares 25-55% Property 0-10%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	


MLC Horizon 4 Balanced Portfolio

Sector Diversified - growth	Investment manager MLC Investments Limited	Tax aware level  Tax Enhanced
Objective Aims to provide a return higher than its internal benchmark (before fees and tax) over 4-year periods. The manager aims to achieve this by actively managing the portfolio. This includes reducing risk in the portfolio if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.	Investment approach The fund has a strong bias to growth assets and some exposure to defensive assets. The manager actively looks for opportunities to provide better returns, or less risk, than those generated by the benchmark asset allocation and to manage the fund's exposure to the risks of investing in markets.	Allocation guidelines Cash 0-15% Fixed interest 5-40% Australian shares 10-45% International shares 15-45% Property 0-15% Defensive alternatives 0-15% Growth alternatives 0-15%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

Perpetual Wholesale Balanced Growth Fund

Sector Diversified - growth	Investment manager Perpetual Investments	Tax aware level  Tax Enhanced
Objective Aims to provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments, to outperform the All Groups CPI + 5% p.a. (before fees and tax) over at least five-year periods and to outperform a composite benchmark (before fees and tax) reflecting its allocation to the various asset types over rolling 3-year periods.	Investment approach Invests in a diverse mix of growth, defensive and other assets, with a focus on Australian and international shares. Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the Allocation guidelines. Currency is managed at the fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Net foreign currency exposure will be limited to 50% of the gross asset value of the fund. Derivatives and exchange traded funds may be used in managing each asset class.	Allocation guidelines Cash 0-30% Fixed income and credit 0-45% ⁶ Australian shares 10-50% ⁷ International shares 10-50% ⁷ Property 0-15% Other 0-30% ⁸
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

Russell Investments Balanced Fund


Sector Diversified - growth	Investment manager Russell Investment Management Limited	Tax aware level  Tax Enhanced
Objective Aims to outperform (before fees and tax) an internal benchmark comprising the weighted combination of relevant market indexes.	Investment approach The fund typically invests in a diversified portfolio mix with exposure to growth investments of around 70% and defensive assets of around 30%. Derivatives may be used to implement investment strategies.	Allocation guidelines Cash 0-20% Fixed interest 0-40% Australian shares 15-45% International shares 15-45% Property 0-20% Other 0-35%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

Vanguard Growth Portfolio


Sector Diversified - growth	Investment manager Vanguard Investments	Tax aware level  Tax Optimised
Objective Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio before taking into account fees, expenses and tax.	Investment approach The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard Growth Index strategy and is biased towards growth assets. It is designed for investors with a high tolerance for risk. The portfolio targets a 30% allocation to income asset classes and a 70% allocation to growth asset classes.	Allocation guidelines Cash 0% Australian fixed interest 7-11% International fixed interest 19-23% Australian shares 26-30% International shares 34-50%
Suggested minimum length of investment 7 Years	Risk level⁵ 6 – High	

DIVERSIFIED MULTI-SECTOR - HIGH GROWTH

MLC Horizon 6 Share Portfolio


Sector Diversified – high growth	Investment manager MLC Investments Limited	Tax aware level  Tax Enhanced
Objective Aims to outperform the benchmark, before fees and tax, over 5-year periods. The manager aims to achieve this return while keeping volatility (movements up and down in value) at levels similar to the benchmark.	Investment approach The benchmark asset allocation is invested in growth assets with minimal exposure to defensive assets. The manager actively looks for opportunities to provide better returns, or less risk, than those generated by the benchmark asset allocation and to manage the fund's exposure to the risks of investing in markets.	Allocation guidelines Cash 0-1% Australian shares 25-55% International shares 30-60% Property 0-15% Defensive alternatives 0-7% Growth alternatives 0-15%
Suggested minimum length of investment 6 years	Risk level⁵ 6 – High	

Vanguard High Growth Portfolio


Sector Diversified – high growth	Investment manager Vanguard Investments	Tax aware level  Tax Optimised
Objective Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio before taking into account fees, expenses and tax.	Investment approach The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard High Growth Index strategy and is biased towards growth assets. It is designed for investors with a high tolerance for risk. The portfolio targets a 10% allocation to income asset classes and a 90% allocation to growth asset classes.	Allocation guidelines Cash 0% Australian fixed interest 1-5% International fixed interest 5-9% Australian shares 34-38% International shares 46-62%
Suggested minimum length of investment 7 years	Risk level⁵ 6 – High	

INDEX

iShares Wholesale Australian Bond Index Fund

Sector Indexed - Australian fixed interest	Investment manager BlackRock Investment Management (Australia) Limited	Tax aware level  Tax Enhanced
Objective Aims to provide investors with the performance of the market, before fees and tax, as measured by the Bloomberg AusBond Composite 0 + Year Index ¹ .	Investment approach To closely track the risk characteristics of the index, while minimising transaction costs. Will look to closely match the index major risk and return factors through a methodology called stratified sampling.	Allocation guidelines Australian fixed interest 100%
Suggested minimum length of investment 3 Years	Risk level⁵ 4 – Medium	


iShares Wholesale Australian Equity Index Fund

Sector Indexed - Australian shares	Investment manager BlackRock Investment Management (Australia) Limited	Tax aware level  Tax Enhanced
Objective Aims to provide investors with the performance of the market, before fees and tax, as measured by the S&P/ASX 300 Total Return Index.	Investment approach To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.	Allocation guidelines Australian shares 100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	


iShares S&P/ASX20 ETF Portfolio

Sector Indexed - Australian shares	Investment manager BlackRock Investment Management (Australia) Limited	Tax aware level  Tax Enhanced
Objective The fund aims to provide investors with the performance of the S&P/ASX 20 Accumulation Index (before fees, expenses and tax). The index is designed to measure the performance of the 20 largest Australian securities listed on the ASX.	Investment approach The fund seeks to achieve its objective by tracking the performance of the S&P/ASX 20 Total Return Index (before fees and tax). The manager believes that a full replication investment strategy is the most appropriate investment strategy to track the performance of the index as risk relative to the index is minimised. The manager's full-replication approach normally aims to purchase every security in the index, while considering transaction costs.	Allocation guidelines Australian shares 100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	


iShares Wholesale International Equity Index Fund

Sector Indexed - international shares	Investment manager BlackRock Investment Management (Australia) Limited	Tax aware level  Tax Enhanced
Objective Aims to provide investors with the performance of the market, before fees and tax, as measured by the MSCI World ex Australia Net TR Index (unhedged in AUD with net dividends reinvested).	Investment approach To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.	Allocation guidelines International shares 100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

iShares Hedged International Equity Index Fund


Sector Indexed – international shares (hedged)	Investment manager BlackRock Investment Management (Australia) Limited	Tax aware level  Tax Enhanced
Objective Aims to provide investors with the performance of the market, before fees and tax, as measured by the MSCI World ex Australia Net Index (hedged in AUD with net dividends reinvested).	Investment approach To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.	Allocation guidelines International shares 100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

iShares Wholesale Australian Listed Property Index Fund

Sector Indexed – property	Investment manager BlackRock Investment Management (Australia) Limited	Tax aware level  Tax Enhanced
Objective Aims to match the performance of the S&P/ASX 300 A-REIT Total Return Index before fees and tax.	Investment approach To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.	Allocation guidelines Australian listed property 100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

SINGLE SECTOR - CASH AND DEPOSITS

Macquarie Treasury Fund

Sector Cash and deposits	Investment manager Macquarie Investment Management Global Limited	Tax aware level  Tax Advantage
Objective Aims to perform in line with the Bloomberg AusBond Bank Bill Index ¹ over the short term (before fees and tax) using a low risk investment strategy.	Investment approach The fund may hold up to 10% in its cash account with the balance invested with the manager. The manager's cash management approach is driven by disciplined and thorough processes, and backed by in-house quantitative analysis. To take advantage of movements in market interest rates, the maturity profile of the fund is actively managed. After determining the maturity profile, the manager uses a number of analytical tools to select the securities that it believes offer the best value and to find the most appropriate yield curve position.	Allocation guidelines Cash 100%
Suggested minimum length of investment No minimum	Risk level⁵ 1 – Very Low	

Generation Life Term Deposit Fund

Sector

Cash and deposits

Investment manager

Mutual Limited

Tax aware level

Objective

Aims to outperform (before fees and tax) the Bloomberg AusBond Bank Bill Index¹ and achieve returns superior to cash management trusts, by investing predominantly into a diversified range of term deposit and deposit like investments.

Investment approach

Primarily invests in term deposits issued by major Australian banks with a bias toward the top four banks. The fund is managed to provide a short-term maturity profile to meet liquidity requirements.

Allocation guidelines

Cash 100%

Suggested minimum length of investment

1 year

Risk level⁵

1 – Very Low

SINGLE SECTOR - FIXED INTEREST

Mutual ADI/Bank Securities

Sector

Fixed interest - Australian

Investment manager

Mutual Limited

Tax aware level

Objective

Aims to outperform (before fees and tax) the Bloomberg AusBond Bank Bill Index¹ and achieve returns superior to cash management trusts.

Investment approach

Actively manage a portfolio of low risk debt products and securities on offer by Australian authorised deposit-taking institutions with a bias (minimum 60%) toward those issued by the four major Australian banks.

Allocation guidelines

Cash 0-10%
Australian fixed interest 90-100%

Suggested minimum length of investment

1 Year

Risk level⁵

2 – Low

Ardea Real Outcome Fund

Sector

Fixed interest – diversified

Investment manager

Ardea Investment Management Pty Ltd

Tax aware level

Objective

The fund targets a stable return in excess of inflation (before fees and tax) over the medium term.

Investment approach

The manager is a longer term, fundamentally driven, value investor with a focus on liquidity and diversification. The investment approach is based primarily on fundamental analysis with a focus on an accurate measurement and disciplined management of risk. The manager believes that by utilising multiple and diversified investment strategies, they can add value over the medium to longer term. The fund's objective is achieved through incorporating an efficient benchmark replication and generating returns through interest rates and arbitrage. These are managed within an overall risk framework. The manager aims to fully hedge any foreign currency exposure back to the Australian dollar.

Allocation guidelines

Cash 0-10%
Commonwealth government bonds, semi-government bonds and overseas government bonds 90-100%

Suggested minimum length of investment

2 years

Risk level⁵

2 – Low

Kapstream Absolute Return Income Fund

Sector

Fixed interest - diversified

Investment manager

Kapstream Capital

Tax aware level

Objective

Aims to provide a steady stream of income and capital stability over the medium term while aiming to outperform the Reserve Bank of Australia official cash rate through market cycles (before fees and taxes).

Investment approach

Targets an absolute return over time, by investing in a global, diversified portfolio of predominantly investment grade fixed income securities, according to the manager's global macroeconomic and market views.

Allocation guidelines

Cash 0-100%
Australian fixed interest 0-100%
International fixed interest 0-100%

Suggested minimum length of investment

3 Years


Risk level⁵

2 – Low

PIMCO Wholesale Australian Bond Fund

Sector Fixed interest – Australian	Investment manager PIMCO Australia Pty Ltd	Tax aware level  Tax Enhanced
Objective Aims to achieve maximum total return by investing in fixed interest securities predominantly denominated in Australian or New Zealand currencies, and to seek to preserve capital through prudent investment management.	Investment approach In pursuing the fund's investment objective, the manager applies a wide range of diverse strategies including Duration analysis, Credit analysis, Relative Value analysis, Sector Allocation and Rotation and individual security selection. The manager's investment strategy emphasises active decision making with a long-term focus and seeks to avoid extreme swings in Duration or maturity with a view to creating a steady stream of returns.	Allocation guidelines Cash 0-100% Australian fixed interest 0-100%
Suggested minimum length of investment 5 Years	Risk level⁵ 3 – Low to Medium	


Schroder Absolute Return Income Fund

Sector Fixed interest - diversified	Investment manager Schroders	Tax aware level  Tax Enhanced
Objective Aims to outperform the Reserve Bank of Australia Cash Rate after investment fees but before tax over the medium term.	Investment approach The fund is an absolute return fixed income strategy that actively invests across the broad and diverse fixed income opportunity set. It seeks to deliver income via a diversified set of return sources, targets low levels of capital volatility with a focus on minimising drawdowns, and offers daily liquidity. The fund diversifies its exposures across geography, issuer type, maturity, ratings grade and capital structure dimensions. Allocations to these dimensions are supplemented by duration management, currency management and alpha strategies. Risk management is crucial to control the fund's exposure to the aggregation of portfolio risks, in particular to limit correlation to equity markets and to minimise volatility and drawdowns.	Allocation guidelines Australian investment grade 0-100% International investment grade 0-100% Australian high yield ² 0-40% International high yield ² 0-30% Cash and cash equivalents 0-100% Active currency 0-10%
Suggested minimum length of investment 3 Years	Risk level⁵ 3 – Low to Medium	


PIMCO Wholesale Global Bond Fund

Sector Fixed interest - international	Investment manager PIMCO Australia Pty Ltd	Tax aware level  Tax Enhanced
Objective Aims to achieve maximum total return by investing in global fixed interest securities, and to seek to preserve capital through prudent investment management.	Investment approach In pursuing the fund's investment objective, the manager applies a wide range of diverse strategies including Duration analysis, Credit analysis, Relative Value analysis, Sector Allocation and Rotation and individual security selection. The manager's investment strategy emphasises active decision making with a long-term focus and seeks to avoid extreme swings in Duration or maturity with a view to creating a steady stream of returns.	Allocation guidelines Cash 0-100% International fixed interest 0-100%
Suggested minimum length of investment 5 Years	Risk level⁵ 3 – Low to Medium	

EQT Wholesale Mortgage Income Fund

Sector Fixed interest – mortgages	Investment manager Equity Trustees	Tax aware level  Tax Advantage
Objective To outperform the RBA Cash Rate over rolling 3-year periods (before fees and tax).	Investment approach The fund is conservatively managed and seeks to produce income by providing loans to selected borrowers. These loans are secured by registered first ranking mortgages. Loans are predominantly offered in respect of selected improved retail, commercial, industrial and residential real estate within Australia. Loans are for a maximum term of five years.	Allocation guidelines Cash 0-100% Australian fixed interest 0-100%
Suggested minimum length of investment 1 to 3 Years	Risk level⁵ 4 - Medium	

Pendal Enhanced Credit Fund


Sector Fixed interest – diversified	Investment manager Pendal Institutional Limited	Tax aware level  Tax Enhanced
Objective Aims to provide a return (before fees, costs and tax) that exceeds the Bloomberg AusBond Non Govt 0+ Year Index ¹ over the medium term.	Investment approach This fund is designed for investors who want income, diversification across a broad range of companies and industries and are prepared to accept some variability of returns. The fund aims to take advantage of investment opportunities within the Australian non-Government fixed interest market and invests primarily in Australian dollar corporate bonds including investment grade securities issued by leading corporations listed on the Australian Securities Exchange. The fund may also invest in a limited amount of hybrid securities, non-investment grade securities and unrated securities. The fund may also hold cash and may use derivatives.	Allocation guidelines Investment grade corporate bonds 70-100% Commonwealth bonds and semi-government bonds 0-20% Convertible notes 0-10% Convertible preference shares 0-10% Capital notes 0-10%
Suggested minimum length of investment 3 Years	Risk level⁵ 5 – Medium to High	

SINGLE SECTOR - AUSTRALIAN SHARES

Bennelong Concentrated Australian Equities Fund

Sector Australian shares	Investment manager Bennelong Australian Equity Partners	Tax aware level  Tax Enhanced
Objective Aims to grow the value of the investment over the long term via a combination of capital growth and income, by investing in a diversified portfolio of primarily Australian shares, providing a total return that exceeds the S&P/ASX 300 Accumulation Index by 4% per annum after investment fees and before tax (measured on a rolling 3-year basis).	Investment approach Investors are offered a portfolio that holds between 20 and 35 of the team's best high-conviction stock picks. The companies within the fund's portfolio are primarily selected from, but not limited to, the S&P/ASX 300 Index. The fund may invest in securities expected to be listed on the Australian Securities Exchange. Derivative instruments may be used to replicate underlying positions on a temporary basis.	Allocation guidelines Cash 0-10% Australian shares 90-100%
Suggested minimum length of investment 5 years	Risk level⁵ 6 – High	


BlackRock High Conviction Australian Equity Fund

Sector Australian shares	Investment manager BlackRock Investment Management (Australia) Limited	Tax aware level  Tax Optimised
Objective Aims to deliver returns that are 4-6% p.a. (before fees and taxes) above those of the S&P/ASX 300 Industrials Accumulation Index ex top 5 stocks by market capitalisation over rolling 3-year periods.	Investment approach The manager applies a fundamental approach that is focused on bottom up analysis, where detailed research is conducted prior to any investment decision. It will invest in a concentrated portfolio of industrial shares generally excluding the top five shares by market capitalisation and resources shares. The fund will also generally not invest in any company that does not first pass the manager's five quality filters at the core of the investment process. The fund focuses on stocks with attractive growth and value characteristics. The manager uses its experience to build a concentrated portfolio of 20-40 stocks that have a balance of risk across all sectors.	Allocation guidelines Cash (or cash equivalents) 0-10% Australian shares 90-100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	


Generation Life Tax Effective Australian Share Fund

Sector Australian shares	Investment manager Redpoint Investment Management	Tax aware level  Tax Optimised
Objective Aims to provide long-term tax effective total returns, with diversification across a broad range of Australian companies and industries.	Investment approach The fund uses a systematic quantitative rules-based approach to build a diversified portfolio by considering factors such as the quality of a company, its growth potential and its implied value relative to its price. The approach considers the tax position of each holding and incorporates additional active investment insights to take advantage of dividends, associated franking credits and other tax effective payments with the aim of delivering an enhanced after-tax return.	Allocation guidelines Cash 0-10% Australian shares 90-100%
Suggested minimum length of investment 5 years	Risk level⁵ 6 – High	


Investors Mutual Australian Share Fund

Sector Australian shares	Investment manager Investors Mutual	Tax aware level  Tax Enhanced
Objective Aims to provide a return (after investment fees and expenses and before tax) which exceeds the S&P/ASX 300 Accumulation Index over rolling four-year periods.	Investment approach The fund will invest in a diversified portfolio of quality ASX listed Australian industrial and resources shares, where these shares are identified by the manager as being undervalued.	Allocation guidelines Cash 0-10% Australian shares 90-100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

Legg Mason Martin Currie Equity Income Fund

Sector Australian shares	Investment manager Martin Currie	Tax aware level  Tax Optimised
Objective Aims to provide an income yield above the S&P/ASX 200 Franking Credit Adjusted Annual Total Return Index (before fees and taxes) and to grow this income above the rate of inflation.	Investment approach In selecting stocks, the manager focuses on long term normalised earnings and sustainable dividends of high-quality Australian companies to deliver an attractive and growing income stream. The fund aims to hold investments so that: exposure to an individual stock is no more than 6% of the portfolio; approximately 45 securities are held; and exposure to an individual sector (as determined by the manager) is no more than 22%. The fund will not invest in securities issued by companies involved in the production or distribution of cluster munitions or the manufacture of tobacco products. The fund does not use derivatives and does not intend to borrow.	Allocation guidelines Cash (or cash equivalents) 0-10% Australian shares 90-100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

Investors Mutual Future Leaders Fund

Sector Australian shares – small & mid companies	Investment manager Investors Mutual	Tax aware level  Tax Enhanced
Objective Aims to provide a rate of return (after investment fees and expenses and before tax) which exceeds the return of the S&P/ASX 300 Accumulation Index (ex S&P/ASX50, ex LPT) on a rolling four-year basis.	Investment approach Will invest in a diversified portfolio of quality ASX listed Australian and New Zealand shares outside the top 50 shares listed on the ASX, where these shares are identified by the manager as being undervalued.	Allocation guidelines Cash 0-20% Australian shares 80-100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

Perpetual Wholesale Australian Share Fund


Sector Australian shares	Investment manager Perpetual Investments	Tax aware level  Tax Optimised
Objective Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian industrial and resource shares and to outperform the S&P/ASX 300 Accumulation Index (before fees and tax) over rolling three-year periods.	Investment approach The manager researches companies of all sizes using consistent share selection criteria. The manager's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business and recurring earnings. The fund invests predominantly in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to international shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time. Derivatives may be used in managing the fund.	Allocation guidelines Cash 0-10% Australian shares 90-100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

Perpetual Wholesale Geared Australian Share Fund


Sector Australian shares – geared	Investment manager Perpetual Investments	Tax aware level  Tax Enhanced
Objective Aims to enhance long-term capital growth through borrowing (gearing) to invest predominantly in quality Australian industrial and resource shares and to outperform the S&P/ASX 300 Accumulation Index (before fees and tax) over rolling three-year periods.	Investment approach The manager researches companies of all sizes using consistent share selection criteria. The manager's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business and recurring earnings. The gearing level of the fund must be kept within pre-determined guidelines. Within these, the manager aims to ensure that the gearing level is maximised, subject to the cost of borrowing being adequately covered by net income. The fund invests predominantly in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to international shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time. Derivatives may be used in managing the fund, including for gearing purposes.	Allocation guidelines Cash 0-10% Australian shares 90-100% Gearing level 0-60% ³
Suggested minimum length of investment 7 Years	Risk level⁵ 7 – Very High	

SINGLE SECTOR - INTERNATIONAL SHARES

Dimensional World Equity Portfolio

Sector International shares	Investment manager DFA Australia	Tax aware level  Tax Optimised
Objective The portfolio aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets.	Investment approach The portfolio will gain its exposure by investing in strategies managed by Dimensional that invest in equity and real estate securities.	Allocation guidelines Australian shares 26-46% International shares – developed 40-60% International shares – emerging 2-12% International property securities 2-12%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

Hyperion Global Growth Companies Fund

Sector International shares	Investment manager Hyperion Asset Management Limited	Tax aware level  Tax Enhanced
Objective Aims to achieve long-term capital growth and income. The fund aims to achieve long-term returns above the MSCI World Accumulation Index (AUD) (before fees and tax) and minimise the risk of permanent capital loss.	Investment approach The fund invests primarily in companies listed on recognised global exchanges and will also have some exposure to cash. Typically, the fund is highly concentrated with 15-30 stocks. The manager's strategy uses rigorous and in-depth quantitative and qualitative analysis to establish a unique portfolio. The fund invests in growth-oriented companies which pass the manager's rigorous investment process.	Allocation guidelines Cash & Cash equivalents 0-20% International shares 80-100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	


Magellan Global Fund

Sector International shares	Investment manager Magellan Asset Management Limited	Tax aware level  Tax Optimised
Objective The primary objectives are to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss.	Investment approach The manager aims to find companies at attractive prices which have sustainable competitive advantages which translate into returns on capital in excess of their cost of capital for a sustained period of time. The manager will endeavour to acquire these companies at a discount to its assessment of the intrinsic value of the companies. The portfolio will consist of 20 to 40 investments. This option does not hedge currency risk.	Allocation guidelines Cash 0-20% Australian and international shares 80-100%
Suggested minimum length of investment 7 Years	Risk level⁵ 6 – High	


MFS Concentrated Global Equity Trust

Sector International shares - concentrated	Investment manager MFS International Australia Pty Ltd	Tax aware level  Tax Enhanced
Objective Aims to provide capital appreciation over the longer term by investing in a concentrated portfolio of global shares and aims to outperform the MSCI World Index (with net dividends before fees) in AUD over a full market cycle, before taking into account investment fees, expenses and tax.	Investment approach In selecting investments, the manager is not constrained by any particular investment style. The manager may invest in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. The manager uses an active bottom-up investment approach to buying and selling investments. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political and regulatory conditions. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position and management ability.	Allocation guidelines Cash 0-10% International shares 90-100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	


Perpetual Wholesale International Share Fund

Sector International shares	Investment manager Barrow, Hanley, Mewhinney & Strauss, LLC	Tax aware level  Tax Enhanced
Objective Aims to provide long-term capital growth through investment in quality global shares and outperform the MSCI World Net Total Return Index (\$A) (before fees and taxes) over rolling three-year periods.	Investment approach The manager aims to select the most attractive securities to construct a well diversified, high active share portfolio that provides asymmetrical returns by participating in up markets while protecting in down markets. The portfolio will exhibit a clear value bias and seek characteristics such as 1) price/earnings ratios below the market, 2) price/book ratios below the market, 3) enterprise value/free cash flow ratios below the market and 4) dividend yields above the market. The manager will primarily invest in companies incorporated in developed markets and may hold up to 20% of the portfolio in companies incorporated in emerging markets. The portfolio has no direct tobacco stock exposure. The currency exposure is unhedged.	Allocation guidelines Cash 0-5% ⁴ International shares 95-100%
Suggested minimum length of investment 7 Years	Risk level⁵ 6 – High	


Legg Mason Martin Currie Emerging Markets Fund

Sector International shares – emerging markets	Investment manager Martin Currie	Tax aware level  Tax Enhanced
Objective Aims to deliver capital growth by investing directly or indirectly in equities of companies that are quoted in or operating in one or more countries deemed to be emerging markets. The fund aims to generate after investment fee but before tax returns in excess of the MSCI Emerging Markets Index expressed in Australian dollars over rolling five-year periods.	Investment approach The manager seeks to exploit market inefficiencies through rigorous fundamental research and by investing with a patient, long-term mindset. The manager seeks to add further value by investing in quality companies that exhibit the strongest growth characteristics, trading at a reasonable valuation. This philosophy is expressed through a high-conviction, stock-driven portfolio with diversified market and sector exposure. The fund typically holds between 40-60 stocks. The fund may use certain derivatives to implement investment decisions, to manage cash flows or to facilitate timely exposure to emerging markets.	Allocation guidelines Cash 0-10% International shares 90-100%
Suggested minimum length of investment 5 years	Risk level⁵ 6 – High	

Walter Scott Global Equity Fund (Hedged)


Sector International shares - hedged	Investment manager Walter Scott & Partners Limited	Tax aware level  Tax Enhanced
Objective Aims to achieve a long-term total return (before fees, expenses and tax) that exceeds the MSCI World ex Australia Index, in \$A hedged with net dividends reinvested.	Investment approach The fund provides exposure to a concentrated portfolio of global equities by investing in securities which, in the manager's opinion, offer strong and sustained earnings growth. The fund is actively managed using a benchmark unaware, fundamental, bottom-up and research-driven approach to build a portfolio of strong growth companies capable of generating wealth over long periods of time. The investment approach combines detailed financial analysis with business and management analysis. The portfolio is constructed with a primary focus on stock-based analysis and a bias towards strong growth companies which the manager believes are capable of generating high earnings growth.	Allocation guidelines Cash 0-10% International shares 90-100%
Suggested minimum length of investment 7 years	Risk level⁵ 6 – High	

Dimensional Global Small Company Trust

Sector International shares - small companies	Investment manager DFA Australia	Tax aware level  Tax Enhanced
Objective Aims to provide long-term capital growth by gaining exposure to a diversified portfolio of small companies associated with approved developed markets (excluding Australia).	Investment approach Seeks exposure to a diversified portfolio of small companies listed in global developed markets (excluding Australia) with the potential for long-term capital growth.	Allocation guidelines International shares 100%
Suggested minimum length of investment 7 Years	Risk level⁵ 7 – Very High	

SINGLE SECTOR - PROPERTY & ALTERNATIVES


GMO Systematic Global Macro Trust

Sector Alternatives	Investment manager GMO Australia Limited	Tax aware level  Tax Advantage
Objective The fund's strategy is designed to deliver absolute returns by managing long and short exposures in global equity, fixed income, currency and commodity markets. The investment objective is long-term total return. The manager aims to produce a portfolio that seeks to outperform the Bloomberg AusBond Bank Bill Index ¹ (before fees and tax).	Investment approach The manager seeks to take long and short positions in a range of global equity, bond, currency and commodity markets using exchange traded and over the counter derivatives, including futures, forward currency contracts, swaps on commodity indices as well as making other investments. The manager utilises proprietary investment models for systematic global tactical asset allocation and equity, bond, currency and commodity market selection.	Allocation guidelines Cash 0-100% ⁹ Alternatives 0-100% ⁹ Derivatives may be used to gain equities exposure typically up to a maximum of 300% gross leverage of the investment strategy's investable holdings.
Suggested minimum length of investment 5 Years	Risk level⁵ 5 - Medium to High	


Firetrail Absolute Return Fund

Sector Alternatives – market neutral	Investment manager Firetrail Investments Pty Ltd	Tax aware level  Tax Enhanced
Objective The fund aims to outperform the RBA Cash Rate over the medium to long term (before fees and tax).	Investment approach The fund aims to provide investors with access to an actively managed equities portfolio predominately comprised of long positions and short positions in Australian listed securities and constructed using the fund's net market neutral investment strategy. Long only positions are selected using in-depth fundamental analysis. The short portfolio is constructed using a combination of fundamental analysis, systematic strategies and other value-adding strategies.	Allocation guidelines Cash & cash equivalents 0-95% Australian shares 0-30% Derivatives may be used to gain equities exposure typically up to a maximum of 400% gross leverage of the investment strategy's investable holdings.
Suggested minimum length of investment 5 Years	Risk level⁵ 6 - High	

Legg Mason Martin Currie Real Income Fund

Sector Alternatives	Investment manager Martin Currie	Tax aware level  Tax Enhanced
Objective Aims to provide a growing income stream by investing in a diversified portfolio of listed real asset securities (such as A-REITs, infrastructure and utilities) characterised by established physical assets with recurring cash flows.	Investment approach The manager's approach is premised on the philosophy that high-quality listed real assets can sustain dividends, match rises in the cost of living and are likely to be less volatile than the wider equity market. The manager relies on complementary fundamental and quantitative research, and collective insights into the current investment landscape, to identify the most attractive opportunities. The fund aims to hold approximately 35 securities.	Allocation guidelines Cash 0-10% Property and infrastructure 90-100%
Suggested minimum length of investment 3 Years	Risk level⁵ 6 – High	

AMP Capital Global Property Securities Fund


Sector Property - international	Investment manager AMP Capital	Tax aware level  Tax Enhanced
Objective Aims to provide total returns (income and capital growth) after investment costs and before tax, above the FTSE EPRA/NAREIT Developed Index Hedged in AUD Net Total Return Index on a rolling three-year basis.	Investment approach To take advantage of global real estate market conditions, as well as country-specific opportunities, the fund's investment style combines a macroeconomic (top-down) approach to regional and country allocations, with a stock-specific (bottom-up) selection process, with the objective of identifying global listed property securities that show the potential for high returns over the long term.	Allocation guidelines Cash 0-10% Listed property 90-100%
Suggested minimum length of investment 5 Years	Risk level⁵ 6 – High	

Magellan Infrastructure Fund

Sector Property - international	Investment manager Magellan Asset Management Limited	Tax aware level  Tax Enhanced
Objective The primary objective is to achieve attractive risk adjusted returns over the medium to long term, while reducing the risk of permanent capital loss.	Investment approach Primarily invests in the securities of companies listed on stock exchanges around the world, but will also have some exposure to cash and cash equivalents. The manager can use foreign exchange contracts to facilitate settlement of stock purchases and to mitigate currency risk on specific investments within the portfolio. It is the manager's intention to substantially hedge the capital component of the foreign currency exposure of the portfolio arising from investments in overseas markets back to Australian Dollars.	Allocation guidelines Cash 0-20% Australian and international shares 80-100%
Suggested minimum length of investment 7 Years	Risk level⁵ 6 – High	

RESPONSIBLE INVESTING - SINGLE SECTOR

Affirmative Global Bond Fund

Sector International fixed interest	Investment manager Affirmative Investment Management Limited	Tax aware level  Tax Enhanced
Objective Aims to simultaneously create a positive and verifiable environmental and social impact whilst targeting a total return in excess of the Bloomberg Barclays Global Aggregate Index ¹ hedged to Australian dollars (before fees and tax) over rolling three-year time periods.	Investment approach The fund will invest primarily in investment grade global fixed income instruments, investing for the medium and longer term. The investable universe consists only of issues and issuers that have passed both an Environmental, Social, Governance (ESG) and Impact screen. The process for determining whether an issue and issuer is making a meaningful impact focuses on the use of proceeds, transparency and measurability. The portfolio invests primarily in tradable debt securities but may use derivatives to gain market exposure or for risk management. The fund can take active currency positions relative to the benchmark (that is hedged into Australian dollars).	Allocation guidelines Cash and international fixed interest 0-100%
Suggested minimum length of investment 3 years	Risk level⁵ 4 – Medium	

Perpetual Wholesale Ethical SRI Fund

Sector

Australian shares

Investment manager

Perpetual Investments

Objective

Aims to provide long-term capital growth and regular income through investment predominantly in quality shares of Australian ethical and socially responsible companies and to outperform the S&P/ASX 300 Accumulation Index (before fees and tax) over rolling three-year periods.

Investment approach

The manager researches companies of all sizes using consistent share selection criteria. The priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business and recurring earnings. In addition to the above investment approach, the manager utilises a strategy for screening ethical and socially responsible investments. The fund invests predominantly in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to international shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time. Derivatives may be used in managing the fund.

Suggested minimum length of investment

5 Years

Risk level⁵

6 – High

Tax aware level



Tax Enhanced

Allocation guidelines

Cash 0-10%
Australian shares 90-100%

Pendal Sustainable Australian Share Fund

Sector

Australian shares

Investment manager

Pendal Institutional Limited

Objective

Aims to provide a return (before fees, costs and tax) that exceeds the S&P/ASX 200 Accumulation Index over the medium to long term, whilst maximising the portfolio's focus on sustainability.

Investment approach

The fund uses an active stock selection process that combines sustainable and ethical criteria with the managers' financial analysis. The manager actively seeks out companies and industries that demonstrate leading ESG and ethical practices and excludes companies not meeting the investable criteria. The sustainability and ethical criteria employed includes factors such as environmental issues; social practices; corporate governance; and ethical practices. The fund will not invest in companies with material business involvement in the following activities: the production of tobacco or alcohol; manufacture or provision of gaming facilities; manufacture of weapons or armaments; manufacture or distribution of pornography; direct mining of uranium for the purpose of weapons manufacturing; and extraction of thermal coal and oil sands production.

Suggested minimum length of investment

5 years

Risk level⁵

6 – High

Tax aware level



Tax Enhanced

Allocation guidelines

Cash 0-10%
Australian shares 90-100%

RESPONSIBLE INVESTING - DIVERSIFIED MULTI-SECTOR

Dimensional Sustainability World Allocation 70/30 Trust

Sector

Diversified – growth

Investment manager

DFA Australia

Objective

Aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of securities listed on approved developed markets, and domestic and global fixed interest securities.

Investment approach

Exposures are adjusted to take into account certain environmental and sustainability impact and social considerations. The fund will seek to target approximately 70% exposure to equities and 30% exposure to fixed interest assets. Normally, the manager will gain some or all of its exposure by investing in other funds managed by it that invest in equity, real estate and fixed interest securities.

Suggested minimum length of investment

5 years

Risk level⁵

6 – High

Tax aware level




Tax Enhanced


Allocation guidelines

Fixed interest 20-40%
Australian shares 15-35%
International shares 35-55%


Evergreen Responsible Growth Model

Sector Diversified – growth	Investment manager Evergreen Consultants	Tax aware level  Tax Optimised
Objective The fund's portfolio aims to provide long-term capital growth by investing in a well-constructed and diversified portfolio of superior, socially responsible investment options. The manager aims to achieve returns of the RBA Cash Rate plus 3.5% p.a. (after manager fees and tax) over rolling seven-year periods, in a sustainable way.	Investment approach The portfolio will be biased to sustainable growth investment options. The manager believes that asset allocation is the primary driver of long-term returns and will ensure the portfolio is correctly constructed in this regard. The manager conducts extensive analysis of potential investment options and underlying managers with respect to both investment characteristics and their environmental, social and governance attributes. This allows the manager to build a well-diversified portfolio, capable of meeting both its investment and sustainability objectives.	Allocation guidelines Cash 0-25% Fixed interest 10-50% Australian shares 20-45% International shares 20-45% Property and infrastructure 0-15% Alternatives 0-30%
Suggested minimum length of investment 7 Years	Risk level ⁵ 6 – High	

Pendal Sustainable Balanced Fund

Sector Diversified – growth	Investment manager Pendal Institutional Limited	Tax aware level  Tax Enhanced
Objective Aims to provide a return (before fees, expenses and tax) that exceeds the fund's benchmark over the medium to long term.	Investment approach This fund is an actively managed diversified portfolio that invests in Australian and international shares, Australian and international listed property securities, Australian and international fixed interest, cash and alternative investments. The manager actively seeks exposure to securities and industries that demonstrate leading environmental, social and corporate governance (ESG) and ethical practices while excluding companies not meeting the investable criteria.	Allocation guidelines Cash 0-20% Australian fixed interest 0-25% International fixed interest 0-25% Australian shares 20-40% Australian property 0-10% International property 0-10% International shares 20-40% Alternatives 0-20%
Suggested minimum length of investment 5 years	Risk level ⁵ 6 – High	

Stewart Investors Worldwide Sustainability Fund

Sector ESG - Global Shares	Investment manager Stewart Investors	Tax aware level  Tax Enhanced
Objective To achieve long-term capital growth by investing in a diversified portfolio of equity or equity-related securities that are listed, traded or dealt in on any of the Regulated Markets worldwide. The fund is not managed to a benchmark and may have exposure to developed markets or Emerging Markets whilst maintaining its geographical diversity. The fund invests in companies that are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate. The fund aims to exceed the MSCI All Country World Index over rolling five-year periods before fees and taxes.	Investment approach Stewart Investors take a bottom-up approach to investing in high quality companies that contribute to and benefit from sustainable development. Research focuses on each company's sustainability positioning and the quality of management, franchise and financials. Each company's contribution to sustainable development is fully integrated into the assessment process and must be core to the businesses model. Portfolio holdings tend to be firms that make products or provide services with a social or environmental purpose where success is aligned with sustainability. Environmental, social and governance risks and issues which are relevant to the company are integrated into the assessment of quality. A focus on capital preservation means that valuations must be reasonable, with a goal of achieving equity-like absolute returns appropriate for the level of risk over the long-term.	Allocation guidelines Cash 0-20% International shares 80-100%
Suggested minimum length of investment 7 years	Risk level ⁵ 7 - Very High	

1. Bloomberg Finance L.P. and its affiliates (collectively, 'Bloomberg') do not approve or endorse this material and disclaim all liability for any loss or damage of any kind arising out of the use of all or any part of this material.
2. Maximum aggregate exposure to high yield assets will not exceed 50%.
3. The gearing level is the fund's borrowings divided by the total gross value of assets. It will depend on the present levels and future expectation of the fund's net income (income after fees and expenses and excluding franking credits) and the cost of borrowings. If the fund's gearing level exceeds 60% (due to withdrawals or negative market movements), the manager will reduce the gearing level to 60% (or lower) within a reasonable period of time by repaying part of the borrowings through inflows or selling some of the fund's assets.
4. Includes cash equivalents, including cash funds managed by Perpetual or other approved investments.
5. The risk level is based on the Standard Risk Measure which allows investors to compare investment options (refer to the Product Disclosure Statement for more information about the risks of investing).
6. The fund may invest in fixed income funds that allow gearing.
7. The fund may gain its exposure to Australian shares by investing in one or more underlying Australian share funds. Where the fund invests in the Perpetual Australian Share Fund, that underlying fund invests predominantly in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to international shares listed on or proposed to be listed on any recognised global exchange. The allocation guidelines showing the fund's maximum investment in international shares do not include this potential additional exposure. Underlying Australian share funds may use short positions as part of their investment strategy. Currency hedges may be used from time to time.
8. The manager may allocate up to 30% of the portfolio to other assets which may include, but is not limited to, infrastructure, mortgages (including mezzanine mortgages), private equity, opportunistic property, absolute return funds, commodities and real return strategies. Exposure to other assets aims to enhance the fund's diversification and may help reduce volatility.
9. Applies to net exposures of the investment strategy portfolio.

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