

Member Investment Options – investment objectives and strategy

Overview

Investment performance to 30 June 2011 (superannuation categories)¹

Risk

Investment objective

Suggested minimum time horizon

Target asset allocation² and investment ranges

Notes: 1. Past performance is not an indicator of future returns. 2. The Target Asset Allocations for each investment option indicate approximately how much of that option is invested in the various asset classes (e.g. shares, property, cash etc). 3. The Trustee intends to dispose of the Fund's Absolute Return investments in the coming year with these amounts to be allocated across the remaining asset classes. 4. Applies to the Balanced Growth and Socially Responsible options only.

Balanced Growth (default option)

The Balanced Growth option seeks to obtain relatively high returns in the long term with a correspondingly higher level of risk, by investing in a diversified set of asset classes with a bias towards growth assets.

Year	Return
5yr compound average	2.90%
2011	8.50%
2010	10.25%
2009	-13.50%
2008	-4.90%
2007	17.00%

Medium to high

To maximise the long-term investment earnings subject to:

- A 75% minimum probability of achieving a crediting rate equivalent to inflation (as measured by the change in the Consumer Price Index) plus 3% p.a. over rolling five year periods, and
- The expected frequency of negative returns for this option is three years over a 20 year period.

At least five to seven years

Asset Class	Asset Allocation	Investment Range ⁴
Australian Shares	30%	20 – 40%
International Shares (hedged)	6%	0 – 15%
International Shares (unhedged)	18%	10 – 25%
Property	11%	5 – 20%
Australian Fixed Interest	4%	0 – 10%
International Fixed Interest	4.5%	0 – 10%
Cash	3.5%	0 – 10%
Infrastructure	12%	5 – 20%
Private Equity	6%	0 – 16%
Absolute Return Strategies ³	2%	0 – 3%
Unlisted Debt	3%	0 – 10%

Balanced

The Balanced option seeks to obtain consistent returns in the long term while reducing the level of risk by investing in a diversified set of asset classes that is split between defensive and growth assets.

Year	Return
5yr compound average	4.00%
2011	7.80%
2010	9.40%
2009	-8.10%
2008	-0.10%
2007	12.30%

Medium

To maximise the long-term investment earnings subject to:

- An 85% minimum probability of achieving a crediting rate equivalent to inflation (as measured by the change in the Consumer Price Index) plus 2% p.a. over rolling five year periods, and
- The expected frequency of negative returns for this option is two years over a 20 year period.

At least three to five years

Asset Class	Asset Allocation
Australian Shares	17%
International Shares (hedged)	3.5%
International Shares (unhedged)	11%
Property	11%
Australian Fixed Interest	6%
International Fixed Interest	6.5%
Cash	20%
Infrastructure	12%
Private Equity	6%
Absolute Return Strategies ³	2%
Unlisted Debt	5%

Cash

The Cash option is designed to provide the most stable returns out of all the Fund's investment options. It will suit members with a short-term investment time horizon. Note: Over the long term you can expect a lower return from Cash than any other Fund option.

Year	Return
5yr compound average	4.90%
2011	5.20%
2010	5.10%
2009	4.18%
2008	4.70%
2007	5.60%

Very low

By investing in a combination of cash and enhanced cash funds, the Cash option seeks to obtain:

- Long-term returns which are similar to those available from short-term cash investments with minimal risk of capital loss, and
- The expected frequency of negative returns for this option is nil over a 20 year period.

Less than three years

Asset Class	Asset Allocation
Australian Shares	0%
International Shares (hedged)	0%
International Shares (unhedged)	0%
Property	0%
Australian Fixed Interest	0%
International Fixed Interest	0%
Cash	100%
Infrastructure	0%
Private Equity	0%
Absolute Return Strategies ³	0%

The proportions shown are the Trustee's target as at 31 August 2011. It is likely that in these allocations may change over the time, both in response to financial markets movements and as the Trustee makes small changes to the fund managers appointed. Any changes are expected to be relatively minor (i.e. within plus or minus 5% of the allocation shown).

Shares

The Shares option seeks to obtain long-term returns which are in excess of the other four options with a commensurately higher level of risk. All assets within this option are invested either in international or Australian shares.

Year	Return
5yr compound average	2.40%
2011	10.00%
2010	12.10%
2009	-14.60%
2008	-13.10%
2007	22.80%

Very high

To maximise the long-term investment earnings subject to:

- A 55% minimum probability of achieving a crediting rate equivalent to inflation (as measured by the change in the Consumer Price Index) plus 5% p.a. over rolling 10 year periods, and
- The expected frequency of negative returns for this option is five years over a 20 year period.

At least eight to ten years

Asset Class	Asset Allocation
Australian Shares	58%
International Shares (hedged)	10.5%
International Shares (unhedged)	31.5%
Property	0%
Australian Fixed Interest	0%
International Fixed Interest	0%
Cash	0%
Infrastructure	0%
Private Equity	0%
Absolute Return Strategies ³	0%

Socially Responsible

In this option, investments are selected using a socially responsible test or screen which takes into account factors including environmental and social impact, workplace and employment practices, and positive contribution to society.

Year	Return
2011	8.30%
2010	9.30%
2009	-9.40%
2008	-20.30%

Please note: The SRI option was introduced in December 2007 so a 5 year average figure is not available.

Medium to high

To provide moderate to high returns while:

- Accepting medium levels of volatility and provide a total return after costs and before tax which is higher than the return from the performance benchmark of the underlying fund over a rolling five year period and,
- The expected frequency of negative returns for this option is four years over a 20 year period.

Please note: This option is fully invested in the AMP Capital Investors Responsible Investment Leaders Balanced Fund.

At least five years

Asset Class	Asset Allocation	Investment Range ⁴
Australian Shares	36%	31 – 41%
International Shares (hedged)	4%	0 – 10%
International Shares (unhedged)	20%	15 – 25%
Property		0 – 28%
Australian Fixed Interest	11.5%	5 – 18%
International Fixed Interest	11.5%	5 – 18%
Cash	3%	0 – 8%
Alternatives	1%	0 – 6%