Colonial First State

FirstChoice

Employer Super

Investment Options Menu

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Contents

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About the Investment Options Menu

The information in this document forms part of the Product Disclosure Statement (PDS) for FirstChoice Employer Super.

FirstChoice Employer Super is offered by Avanteos Investments Limited ABN 20 096 259 979, AFSL 245531 ('AIL', 'the trustee') from the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557 (FirstChoice Trust). The FirstChoice Trust is a public offer superannuation fund which offers personal and employer super and pension products. FirstChoice is a resident, regulated superannuation fund within the meaning of the *Superannuation Industry (Supervision) Act 1993* and is not subject to a direction not to accept contributions.

Colonial First State Investments Limited ABN 98 002 348 352 AFSL 232468 ('CFSIL') is the responsible entity for most of the investment options in FirstChoice.

Unless otherwise stated in the PDS, AIL or its licensed related entities to which it has delegated investment management or administration functions in relation to the product are referred to in the PDS as 'the trustee', 'AIL', 'we', 'our' or 'us'.

Other information

Other information about the role of service providers and investment managers can be found in the relevant PDS.

No guarantee

The investment performance and the repayment of capital of AIL and CFSIL products is not guaranteed. Investments in FirstChoice products are subject to investment risk, including loss of income and capital invested. Past performance is no indication of future performance.

Consent to be named

The investment managers of the options available have given, and not withdrawn, their consent to be referenced in this PDS in the form and context in which they are included.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.

Rights

CFSIL and AIL reserve the right to outsource any or all of its investment management functions, including to related parties, without notice to investors.

Target Market Determination

The Target Market Determinations (TMD) for our financial products can be found at cfs.com.au/tmd and include a description of who the financial product is appropriate for.

MySuper – CFS Lifestage

CFS Lifestage is the MySuper default investment option that determines how your money is invested depending on your year of birth. The asset allocation is designed for people born within the same five-year period as you. This means we'll do the hard work for you as CFS Lifestage automatically adjusts your asset allocation as you get older. If there is no Lifestage option for your year of birth, we will use the Lifestage option closest to your date of birth.

On joining FirstChoice Employer Super, you will be placed in the Lifestage option that most closely matches your year of birth provided by your employer. If the year of birth is incorrect, please contact us so that we can ensure that future contributions are directed to the correct Lifestage option.

You can switch monies to your correct Lifestage option at any time, or may make an investment nomination from our other investment options or switch to another Lifestage option that is different to your year of birth. These will be considered an investment choice for contributions. Please note that buy/sell spread costs will be incurred with this transaction, and we recommend that you speak to your financial adviser.

We may terminate a Lifestage option at any time. This will generally occur when the members in a Lifestage option reach retirement, or there are not many investors left in a Lifestage option, or for other operational reasons. At this time, we will automatically switch your investment to the Lifestage option which most closely matches your year of birth.

Information about CFS Lifestage is available to view on the MySuper dashboard at cfs.com.au/mysuperdashboard

How CFS Lifestage works

When you're younger, you have more time to ride out the ups and downs of investment markets therefore your money will be invested in mostly growth assets such as shares, property and infrastructure. This can lead to higher volatility of performance year-to-year but also increases the potential to achieve a higher return over the long term.

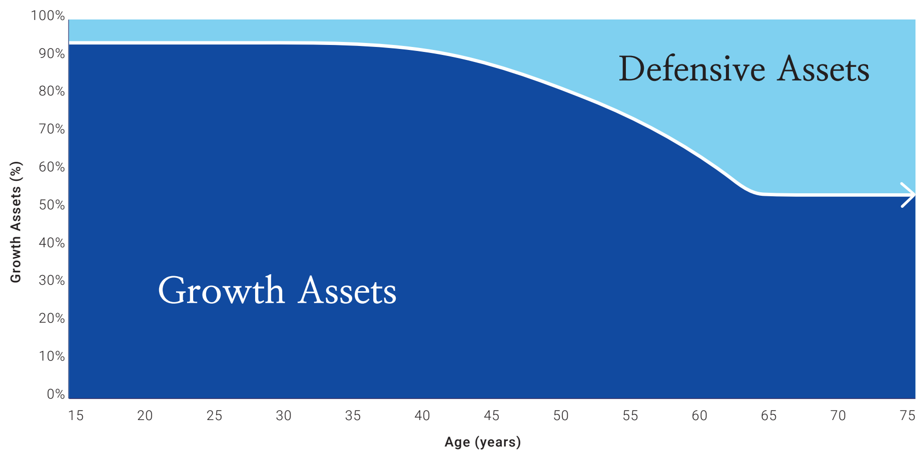
As you approach retirement and have less time to recover from any short-term losses, the investment in growth assets is gradually reduced and the investment in defensive assets, such as cash and fixed interest is increased. This aims to reduce the volatility of performance for older members.

This automatic adjustment of your asset allocation as you get older is called the glidepath, which is shown in the diagram below.

For example, if you were born between 1 January 1965 to 31 December 1969, your asset allocation is made up of approximately 74% growth assets as at 30 June 2024 and will move along the glidepath illustrated below. By 30 June 2029, your asset allocation will be made up of approximately 64% growth assets, and this will continue to gradually reduce to approximately 52% growth assets by 2035.

Further information on the objectives, investment strategy, risk bands and asset allocation for each Lifestage can be found later in this Investment Options Menu.

CFS Lifestage automatically adjusts the investment mix according to your age



Please note: Indicative CFS Lifestage as at 1 July 2024. This diagram is illustrative only.

Investing with CFS FirstChoice

CFS offers a wide range of investment options with a focus on delivering strong performance. It's easy to get started on your investment journey.

1 Define your **goals and objectives**

Set clear goals with realistic and achievable targets, and consider your personal circumstances.

2 Understand your investment **options**

Take a closer look at the diverse range of investment options available through FirstChoice.

3 Start **investing**

Select a ready-made investment portfolio and/or build your own.

Choose from a range of ready-made portfolios

Select one or more of our professionally constructed multi-manager portfolios. Multi-manager portfolios provide a convenient and simple way of diversifying your investment across different investment managers.

CFS Multi-manager options	
CFS Multi-manager multi-sector	Portfolios that invest in a range of asset classes
CFS Lifestage	Portfolios that invest in a range of asset classes and automatically adjusts the investment mix according to your age
CFS Multi-manager single-sector	Portfolios that predominantly invest in one asset class
CFS Sustainability	A portfolio that invests in a range of asset classes and managers, with a focus on sustainability
CFS Enhanced Index Series	Enhanced index portfolios that invest in a range of asset classes
CFS Index Series	Index portfolios that invest in a range of asset classes

Tailor your investment portfolio – pick and mix from a diverse range of individual options

Build your own investment portfolio by choosing one or more options. Our wide range of investment options enables you to adjust your portfolio to suit your changing investment needs.

Other Multi-sector and Single-manager options	
Other Multi-sector	Options that invest in a range of asset classes
Single-manager single-sector	Options that predominantly invest in one asset class

Understanding CFS multi-manager portfolios

We employ a dedicated team of investment professionals to construct the multi-manager portfolios. We also use a specialist investment consulting and research firm to assist us in this process.

The multi-sector multi-manager options will invest in the underlying single-sector multi-manager portfolios.

Constructing the multi-manager portfolios is a three-step process:

1. Select specialist investment managers for each asset class

When selecting investment managers for each asset class, we aim to capture the competitive strengths of each investment manager. Key selection criteria such as organisational stability, performance track record and investment process are used in assessing investment managers.

2. Combine the investment managers

We aim to select a combination of investment managers whose investment styles are complementary. In other words, we choose a mix of investment managers that is likely to deliver more consistent returns so that performance is not dependent on a single investment manager or a single investment style.

3. Monitor ongoing quality

We regularly monitor the multi-manager portfolios and, when needed, make changes to seek improved performance and manage risk.

What is diversification?

Diversification is an important way to manage investment risk by spreading your money across different asset classes. This can generally be achieved in 3 ways:

Within each asset class

Investing in a range of securities within an asset class means that returns will generally be less dependent on the performance of any single security. This may reduce the overall security-specific risk across your portfolio.

Across asset classes

Investing in a range of asset classes means that the impact of ups and downs in any single asset class or market can be reduced. That is, you can spread your exposure to different markets.

Across investment styles

Different investment managers adopt different styles like ‘value’ or ‘growth’, and these styles can perform differently at different times. Investing in a portfolio with a mix of investment managers can help investors smooth out any performance variations more effectively. That is, investment manager risk may be reduced.

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

Investing all, or a large proportion, of your account balance in a single sector or investment option could reduce the level of diversification within your portfolio and, as a result, increase the risk of losses in the value of your account and/or reduce your retirement income. You should regularly review your portfolio to ensure that the investment options selected and the allocations to these options remain appropriate to your objectives and circumstances. This can be an important consideration where your allocation is to options that are within the higher risk categories. Please speak to your financial adviser for further information.

Trustee diversification guidelines

The trustee suggests that no more of your portfolio is invested in each investment category than the percentages outlined below:

Investment category	Maximum suggested portfolio allocation
Alternatives	20%
Australian share – small companies	30%
Global share – emerging markets	30%
Australian property and infrastructure securities	50%
Global property and infrastructure securities	50%
Geared – Australian share	30%

How is FirstChoice Employer Super structured?

When your contributions are invested in FirstChoice Employer Super, your money is combined with other investors' money in FirstChoice. Each FirstChoice investment option is a separate option within this superannuation fund. Each option invests in an underlying 'pool' which is managed according to the investment option's objectives. In most cases, CFSIL is the responsible entity for the underlying pools, which are managed by each investment manager through a mandate arrangement or, for FirstRate Saver, deposited with Commonwealth Bank of Australia.

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 the ability to issue timely unit prices and to better control administration and reporting.

How do we ensure the ongoing quality of FirstChoice?

We manage and regularly monitor the options. We may, without prior notice to investors, add, remove or change the investment managers and their allocations in the multi-manager portfolios; and change the investment objective and/or strategy; add, suspend, restrict, close or terminate an option; or change an investment manager or the approved deposit taking institution in the single manager options. Any change would be considered in light of the potential negative or positive impact on investors.

We will notify existing investors in affected options of any material change as soon as practicable. Updated information that is not materially adverse can be obtained via our website at cfs.com.au. A paper copy of this PDS (and any supplementary documents) can also be obtained from your adviser or free of charge by contacting Employer Services on 1300 654 666.

CFS Sustainability

In 2016 we set out our commitment to responsible investing and became a signatory to the United Nations, Principles for Responsible Investment (PRI) in 2017. As a signatory to the PRI, we incorporate environmental, social and governance considerations into investment practices. This includes our commitment in 2018 to divest from tobacco producers and manufacturers of controversial weapons. In 2021, we committed to align to the goals of the Paris Agreement of net zero emissions by 2050 and to a 30% reduction in Greenhouse Gas emissions intensity by 2030, from 2019 levels for all CFS FirstChoice portfolios. As a step towards this goal in 2021, we become a signatory to the Climate Action 100+, an investor led initiative to ensure the world's largest corporate greenhouse gas emitters take the necessary action on climate change. We renewed this commitment in 2024 as the initiative moved into Phase 2 of its work.

We are also committed to social issues, signing the Investors Against Slavery and Trafficking Statement and since 2020 have taken action to address modern slavery risks in our business and supply chains. In 2022, we became a signatory to the 40:40 Vision to support gender balance in executive teams.

We will continue our focus and commitment towards providing investors with the means for sustainable, long term wealth creation.

CFS Thrive+ investment philosophy and process

How an organisation manages its environmental and social issues, and the quality of its corporate governance, directly influences its ability to sustain returns over the longer term. In line with this philosophy, we created CFS Thrive+ Sustainable Growth, which seek out companies that are aiming to achieve sustainable outcomes whilst seeking to avoid companies, that in the view of CFS and the Thrive+ investment managers, will have an adverse effect on the environment or society.

Active company engagement and voting

We choose to work with investment managers who actively engage and advocate the companies we invest in to implement better environmental and social practices. This enables us to use investment capital and active ownership to encourage change.

Areas of focus and exclusions aligned to personal values

Industries or themes we aim to seek out or not invest in (exclusionary screens) were developed at the launch of the product with input from an investor survey to ensure CFS Thrive+ aligned to personal values. As defined in the Charter, a level of screening will apply to themes and activity including certain fossil fuels, weapons, gambling, pornography, alcohol, tobacco and predatory lending and a focus on issues such as, but not limited to, climate change, healthcare, resource efficiency, sustainable communities and diversity and inclusion. Please refer to the Charter for the current sustainable investment criteria – exclusions, gross revenue thresholds and themes that CFS Thrive+ supports. The sustainable investment criteria may change over time as the world and our understanding of it changes. All reasonable care will be taken to implement the exclusionary screens.

Exclusions form part of the investment management agreements with our appointed managers. CFSIL as a Responsible Entity has instructed Investment managers not to purchase or hold a short position in equity or debt securities (or single name derivatives that would otherwise provide effective exposure to the excluded securities) issued by companies or their subsidiaries for the activities listed above. Whilst we make every endeavour to exclude these companies, there may, from time to time, be a small level of unintended exposure due to lack of data, corporate activity, indirect exposure or exposure through index derivatives, ETFs or third party managed pooled unit trusts. If we find that the fund holds an excluded security, we will instruct the relevant manager to sell down in an orderly manner.

Additional investment information

What are the main asset classes?

Asset class	Description
Cash	Cash generally refers to investments in bank bills, money market and similar securities which have a short investment timeframe. Cash investments generally provide a stable return, with low potential for capital loss.
Fixed interest	Investors in fixed interest securities, such as bonds, pay cash for the bond and in return receive a regular interest payment from the bond issuer at a fixed interest rate for an agreed period of time. The value of the bond can fluctuate based on interest rate movements, and when the bond matures the principal is repaid in cash. Publicly traded and private loans operate in a similar manner, however the interest payments received may be floating and not fixed rate – often priced with a margin above the risk free rate. Pricing of both fixed and floating securities is impacted by credit assessments, as well as the ability of borrowers to pay both interest and the principal at maturity. However, floating rate securities have less interest rate duration risk, meaning lower capital loss when interest rates are rising, and conversely lower capital gain when interest rates are falling, compared to fixed rate securities. Historically, bonds, fixed interest and floating rate securities have provided a more consistent but lower return than shares.
Property[1]	Property refers to the physical land and buildings that are used by businesses and society to operate. Investment can involve holding, managing or developing property for a variety of purposes such as offices, industrial warehouses and retail shopping centres. Property investments typically involve a capital outlay in return for ongoing rents and appreciation in value over time. Property securities provide an indirect exposure to property, generally representing part ownership of a company or an entitlement to the assets of a trust. Property securities can be listed on a stock exchange or units of an unlisted trust.
Infrastructure[2]	Infrastructure refers to the physical assets required for a business or country to operate, including transportation, communication and utilities (e.g. water, sewage and electricity). It may also include 'social infrastructure' such as hospitals, prisons and public housing. Infrastructure investments typically have: high upfront capital requirements, low ongoing operational costs and relatively predictable cash flows and operating risks. Infrastructure securities provide an indirect exposure to infrastructure, generally representing part ownership of a company or an entitlement to the assets of a trust. Infrastructure securities can be listed on a stock exchange or units of an unlisted trust.
Shares	Shares represent a part ownership of a company and are generally bought and sold on a stock exchange or can be unlisted. Shares are generally considered to be more risky than the other asset classes because their value tends to fluctuate more than that of other asset classes. However, over the longer term they have tended to outperform the other asset classes.

1 If an option invests in property or property securities it is detailed in the strategy or allocation of the option.

2 If an option invests in infrastructure or infrastructure securities it is detailed in the strategy or allocation of the option.

Important information about the investment options

Each FirstChoice investment manager will have slightly different views regarding the classification of securities into asset classes.

A reference to Australian shares or companies for an option may include, for example, units in trusts listed on the Australian Securities Exchange (ASX) and/or investments in companies listed on an overseas stock exchange if they are also or have previously been listed on the ASX.

Within their allocations to listed securities, some of the options may purchase unlisted securities on the basis that the securities will list in the future. There exists a risk that the securities may not list.

Some options in this document may also have a small exposure to New Zealand shares in their Australian share allocation.

More detailed information on each investment option is available by visiting cfs.com.au and selecting 'Find a Fund' or by calling your financial adviser.

Do the options borrow?

Except for the geared option and options that may short sell, most options do not borrow except for short-term arrangements for settlement purposes or if an emergency or extraordinary situation arises.

Borrowing can only occur in line with an option's investment strategy. If an option borrows, this is detailed in the strategy of the option.

Additional information about geared options

The aim of gearing is to produce a larger investment return over the long term by using borrowed money in addition to your own funds. The geared option is 'internally geared', which means that the option borrows the money instead of you borrowing directly.

The benefits of internally geared options are that they are able to borrow at institutional rates, there are no margin calls and you do not need to apply for a loan or offer security. Importantly, we will not ask investors to provide additional funds to meet borrowing costs or to repay debt. All obligations are met within the option itself.

Some investors, such as superannuation funds or their trustees, may find it difficult to borrow in their own name, and therefore cannot use standard margin loans. Internally geared options permit such investors to gain leveraged exposure to a selected asset class.

Where do geared options borrow from?

The geared option raises money either by issuing notes or bonds in Australian or international capital markets, and/or by borrowing at competitive rates from a large number of international and Australian financial institutions. Interest and related borrowing costs are paid by the options. Providers of funding have priority over option investors for interest and principal repayments. Providers of funding earn interest and may receive reimbursements relating to early repayments, dealer fees, upfront fees, legal expenses, government charges, account transaction fees and undrawn commitment fees.

How does the gearing work in the CFS Geared Share option?

CFSIL is responsible for the gearing of this option, allowing the investment manager to focus on managing the option's investments. This option is managed using **'dynamic gearing'**.

This option is managed so that, as far as possible, income from dividends and interest exceeds the cost of borrowing and other expenses, to ensure the preservation of franking credits, which are passed on to you through the performance of the investment option.

This process of managing income and expenses is called '**dynamic gearing**' because the gearing ratio may vary according to market conditions, in particular, the relationship between dividend yields and market interest rates. The gearing ratio is the total amount borrowed expressed as a percentage of the total assets of the option.

Dynamic gearing is also a prudent approach that forces a lower gearing ratio when borrowing costs are relatively high or dividend yields reduce. For example, if it costs 6% per annum to borrow money, and the option earns a net 3% per annum in dividends and other income, this gives a potential gearing ratio of 50%. However, if the borrowing cost rises to 6.50% per annum, with income unchanged, the gearing ratio may fall to about 46%.

The following table illustrates the relationship between the interest rates on borrowings, dividend yields and the gearing levels of a dynamically geared option.

Theoretical gearing level (%)[1]

		Dividend yield (% p.a. net of fund expenses)			
		2.50%	3.00%	3.50%	4.00%
Interest rate on borrowing (% p.a.)	4.00%	60	60	60	60
	5.00%	50	60	60	60
	6.00%	42	50	58	60
	7.00%	36	43	50	57

1 The option will stop additional borrowing at 55%, but the gearing ratio may rise above this level due to market movements or redemptions.

The table above is for illustrative purposes only and is not a forecast or future prediction as to the level of gearing or the interest rates that will apply.

Under dynamic gearing, the gearing ratio is managed at our discretion, subject to the availability of debt and ensuring that estimated income exceeds estimated expenses. No additional borrowing is made when the gearing ratio is at 55% or above.

The gearing ratio varies daily due to changes in the value of the assets in the option and applications or redemptions. If these changes cause the gearing ratio to exceed 60%, we repay debt within a reasonable amount of time to reduce the gearing ratio to below 60%. In the event of the gearing ratio exceeding 75%, we will suspend the processing of redemption requests until the gearing has decreased to below 75%.

Return expectations of a geared option

The aim of gearing is to produce a higher return over the long term by using borrowed money in addition to your funds. However, for an option geared at 50%, if the underlying investments' rise is less than the option's borrowing and management costs, then it is unlikely that the geared option will outperform an equivalent ungeared portfolio. Consequently, a geared option will not always magnify market gains in a low return environment, although it will always magnify market losses. Refer to 'Gearing risk' in this document.

We suggest you consult a financial adviser regarding the impact of these investments on your overall portfolio.

What is short selling, a short position and a long position?

Short selling is selling a security you do not own. By short selling a security, an option attempts to profit from a decrease in the value of the security. Generally, short selling involves borrowing a security from another party to make the sale with the intention of repaying the borrowed security at a later date with an equivalent security purchased at a lower price. An option may use short selling as a strategy to try to improve returns and to manage risk.

A **short position** is a net position in a security that profits from a decrease in the value of the security. This can be achieved by short selling.

A **long position** is a net position in a security that profits from an increase in the value of the security. Generally, an investor adopts long positions by buying securities.

If an option uses short selling, it is detailed in the strategy of the option.

What investments can the options hold?

The trust deed of FirstChoice Employer Super allows us a great deal of discretion about what investments are held in the options. The investments intended to be held are outlined in the strategy of the option. If we decide to change, we will advise you as soon as practical. In certain instances, and in limited circumstances, corporate actions may lead to investments in the option that do not strictly fall within the stated option strategy.

We may need to comply with substantial holding or other restrictions on individual securities from time to time, for example, if holdings within an individual security exceed a certain percentage. The restriction will be lifted if and when capacity becomes available.

Can we outsource the investment management of the options?

CFSIL is the responsible entity for each of the underlying pools in FirstChoice Employer Super. We may outsource or delegate some or all of the investment management of the options to a related entity or a third party.

We have an investment management agreement in place with each of the investment managers as part of our arrangement to outsource investment management of the investment options. The agreement sets out how money should be invested. It may specify an appropriate benchmark, acceptable investments and investment ranges for investment management.

Appointed investment managers are subject to initial and ongoing reviews to ensure that they can meet their obligations under the investment management agreement. They are required to certify and report to us on certain obligations under the investment management agreement. We also monitor the performance of the investment managers.

Detailed information on each investment manager is provided in the Manager Profile, available at cfs.com.au by selecting 'Find a Fund' or by calling 1300 654 666.

Investment and labour standards or environmental, social or ethical considerations

Except as disclosed below, as the trustee, we don't specifically take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising the options. We do not directly manage the investments however we do have a robust governance process for assessing the capabilities of each investment manager. This process includes consideration of an investment manager's approach to assessing the effect that climate change and environmental, social, governance (ESG) issues may have on the investments of each option.

Each investment manager may have its own policy on the extent to which labour standards or environmental, social or ethical considerations are taken into account in their investment process and some options do take one or more of these factors into account.

Due to the labour, environmental and social risks associated with the production of tobacco and manufacture of controversial weapons[1], we do not allow investment managers to invest in securities issued by companies who operate in these industries. While we make every endeavour to exclude these companies, there may, from time to time, be a small level of unintended exposure due to lack of data, corporate activity, indirect exposure, exposure through index derivatives, ETFs or third party pooled unit trusts. If we find that the option holds an excluded security, we will instruct the relevant manager to sell down in an orderly manner. However, the ability of CFSIL to sell down positions with respect to investments in unlisted assets is limited and subject to a number of factors given the nature of the asset class, the indirect way in which investments are held and governance of such investments.

Are there any other benefits to CFSIL?

The options receive banking and treasury-related services from CBA in the normal course of business and pay normal commercial fees for them. We may derive monetary or administrative benefits from CBA as a consequence of maintaining bank accounts with CBA and through performing administration services for CBA products.

For the CFS geared option, where money is borrowed from CBA or its subsidiaries, the terms, where comparable, are substantially the same as those of other lenders.

1 Controversial Weapons Manufacturers are defined as any company engaged in the manufacture of chemical and biological weapons, cluster munitions (Cluster Munitions Manufacturers definition excludes 'Delivery Platforms'), antipersonnel landmines, depleted uranium ammunition, non-detectable fragments, incendiary weapons (Incendiary Weapons are defined as per 'The Convention on Certain Conventional Weapons of 1980 under Protocol 3'), and blinding lasers.

Risks of super

General investment risks

These are the risks associated with investing.

Counterparty risk	This is the risk that a party to a transaction such as a swap, foreign currency forward or stock lending fails to meet its obligations such as delivering a borrowed security or settling obligations under a financial contract.
Environmental, social and governance (ESG) and climate risk	The value of individual securities may be influenced by ESG factors. These risks may be real or perceived and may lead to financial penalties and reputational damage. For example, environmental risks include waste and pollution, resource depletion and land use. Social risks are where the investment may be impacted by social, labour and human rights risks and include health and safety. Governance risks can impact sustainability of an investment and cover business practices such as board diversity and independence, voting procedures, transparency and accountability. Climate change poses a risk to the environment, the broader economy and valuation of an investment. Climate change risks can be typically split between physical and transition risks. • Physical risks refer to the direct impact that climate change has on our physical environment. For example, a company's revenue may be reduced due to weather events and this may reduce the value of the company's shares. • Transition risks refer to the wider set of changes in policy, law, markets, technology and prices that may be necessary for the transition to a low carbon economy.
Legal, regulatory and foreign investment risk	This is the risk that any change in taxation, corporate or other relevant laws, regulations or rules may adversely affect your investment. For options investing in assets outside Australia, your investment may also be adversely impacted by changes in broader economic, social or political factors, regulatory change and legal risks applicable to where the investment is made or regulated.
Liquidity risk	Liquidity risk refers to the difficulty in selling an asset for cash quickly without an adverse impact on the price received. Assets such as shares in large listed companies are generally considered liquid, while 'real' assets such as direct property and infrastructure are generally considered illiquid. Under abnormal or difficult market conditions, some normally liquid assets may become illiquid, restricting our ability to sell them and to make withdrawal payments or process switches for investors without a potentially significant delay.
Management risk	All options have an investment manager to manage your investments and there is a risk that the investment manager will not perform to expectation. Management risk may arise from the use of financial models by the investment manager to simulate the performance of financial markets. The performance of financial markets may differ to that anticipated by the financial models.
Market risk	Investment returns are influenced by the performance of the market as a whole. This means that your investments can be affected by factors such as changes in interest rates, investor sentiment and global events, depending on which markets or asset classes you invest in and the timeframe you are considering. If you are invested in the FirstRate Saver investment option, while returns are generally stable, a low interest rate environment may impact the future growth of your super. Investing in this investment option may result in a very low or negative return. This will depend on prevailing market interest rates, fee amounts charged, the proportion of your super invested in FirstRate Saver and your total super account balance.
Securities lending risk	The options may lend out or transfer their securities under securities lending transactions. If an option engages in securities lending, there is a risk that the borrower may become insolvent or otherwise become unable to meet, or refuse to honour, its obligations to return the loaned assets. In this event, the option could experience delays in recovering assets and/or accessing collateral which may incur a capital loss. Options investing any collateral received as part of the securities lending program are also subject to the general investment risks, and in some cases credit risk. In addition, some options may borrow securities under securities lending arrangements as part of their investment or borrowing strategies. An option that is involved in these strategies is also exposed to short selling risk. Where an option has been identified as having short selling risk, it will also be exposed to securities lending risk.

Security and investment-specific risk	Individual securities like mortgages, shares, fixed interest securities or hybrid securities can be affected by risks specific to each investment or security. For example, the value of a company's shares can be influenced by changes in company management, its business environment or profitability. These risks can also impact on the company's ability to repay its debt.

Option-specific risks

These risks may apply to certain options only, as outlined in each investment option information table. The relative importance of a risk to a particular option and whether or not an option-specific risk is applicable may change from time to time. Options can have exposure to an option-specific risk at or after the date of this issue, and this may not be reflected in the investment option information tables.

Credit risk	Credit risk refers to the risk that a party to a credit transaction fails to meet its obligations, such as defaulting under a mortgage, a mortgage-backed security, a hybrid security, a fixed interest security or a derivative contract. This creates an exposure to underlying borrowers and the financial condition of issuers of these securities.
Currency risk	Investments in global markets or securities which are denominated in foreign currencies give rise to foreign currency exposure. This means that the Australian dollar value of these investments may vary depending on changes in the exchange rate. Investment options which have significant currency risks adopt different currency management strategies. These strategies may include currency hedging, which involves reducing or aiming to remove the impact of currency movements on the value of the investment. Some options remain unhedged. Information on the currency management strategy for each option with a significant currency risk is set out in that option's strategy description. Different options have different currency management strategies; please consult your financial adviser on the best approach for you. For more information about currency risk, refer to the 'Additional information about currency risk' later in this section.
Derivatives risk	Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index. They can be used to manage certain risks in investment portfolios or as part of an investment strategy. However, they can also increase other risks in a portfolio or expose a portfolio to additional risks. Risks include: the possibility that the derivative position is difficult or costly to reverse; that there is an adverse movement in the asset or index underlying the derivative; or that the parties do not perform their obligations under the contract. In general, investment managers may use derivatives to: • protect against changes in the market value of existing investments • achieve a desired investment position without buying or selling the underlying asset • leverage a portfolio • manage actual or anticipated interest rate and credit risk • alter the risk profile of the portfolio or the various investment positions • manage currency risk. Derivatives may be used in an option to provide leverage and may result in the effective exposure to a particular asset, asset class or combination of asset classes exceeding the value of the portfolio. The effect of using derivatives to provide leverage may not only result in capital losses but also an increase in the volatility and magnitude of the returns (both positive and negative) for the option. As financial instruments, derivatives are valued regularly, and movements in the value of the underlying asset or index should be reflected in the value of the derivative. Information on whether an option uses derivatives, such as futures, options, forward currency contracts and swaps, is outlined in that option's strategy description.

Emerging markets risk	Due to the nature of the investments in emerging markets, there is an increased risk that the political and/or legal framework may change and adversely impact your investments. This could include the ability to sell assets. Options that invest in global markets may have exposure to emerging markets. Investing in emerging markets may involve a higher risk than investing in more developed markets. Emerging market securities may present market, credit, currency, liquidity, legal, political and other risks different from, and potentially greater than, the risks of investing in developed market countries. For example, companies in emerging markets may not be subject to: • accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets • the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets. Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions. There are also risks that, while existing in all countries, may be higher in emerging markets due to the legal, political, business and social frameworks being less developed than those in more established market economies. Examples of higher risks include: • political or social instability (including recession or war) • institutional manipulation of currency or capital flows • deflation, inflation, or loss in value of currency, and • greater sensitivity to interest rates and commodity prices. As a result, investment returns from emerging market securities are usually more volatile than those from developed markets. This means that there may be large movements in the unit prices of options that invest in emerging market securities over short or long periods of time. You should consider whether an option that invests in emerging market securities is suitable for your portfolio.
Equity risk	This risk comes from investing in companies, generally driven by growth in earnings and dividends and includes the potential for variability in returns.
Gearing risk	Some of the options offered use gearing. Gearing means the option borrows so that it can invest more to increase potential gains. Gearing can magnify gains and always magnifies losses from the option's investments. For an option geared at 50%, if the underlying investments' rise is less than the option's borrowing, investment and 0.04% p.a. administration fees and costs, then it is unlikely that the geared option will outperform an equivalent ungeared portfolio. Consequently, a geared option will not always magnify market gains (particularly in a low return environment), but it will always magnify market losses. In extreme market conditions you may lose all your capital. We suggest you consult a financial adviser regarding the impact of these investments on your overall portfolio. Refer to 'Additional information about geared options' in the 'Additional investment information' section for further details about gearing.
Investment performance risk from sustainability exclusions	Some investment options will exclude certain industries from their portfolios in accordance with their sustainability criteria. This means their portfolios will differ from those of traditional funds without a sustainable investment focus. As a result, the investment performance may deviate from traditional funds in the short to medium term. Over the longer term, the expected risk and return objectives are likely to be consistent with traditional funds.
Short selling risk	Some of the options offered use short selling or can be exposed to underlying funds that engage in short selling. Short selling means the option sells a security it does not own to try and profit from a decrease in the value of the security. This is generally done by borrowing the security from another party to make the sale. The short sale of a security can greatly increase the risk of loss, as losses on a short position are not limited to the purchased value of the security. Short selling strategies involve additional risks such as: • Liquidity risk In certain market conditions, an option that adopts a short selling strategy may not be able to reverse a short position because the security it needs to buy may not be available for purchase in a reasonable timeframe or at all. In this event, losses may be magnified. • Leverage risk While short selling can often reduce risk, it is also possible for an option's long positions and short positions to both lose money at the same time. • Prime broker risk

	When short selling is employed, the assets of the option are generally held by the prime broker (which provides the broking, stock lending and other services). As part of this arrangement, assets may be used by or transferred to the prime broker under a securities lending arrangement which will also expose the option to securities lending risk. There is a risk that the prime broker does not return equivalent assets or value to the option (for example, because of insolvency). This would have a substantial negative impact on the value of your investment. This risk is managed by having arrangements with large, well-established and globally operating prime brokers. If you would like details of our prime broker, please contact us. If an option uses short selling, this is detailed in the strategy description of the relevant option information table. Refer to 'What is short selling, a short position and a long position?' in the 'Additional investment information' section for more information about short selling.
Small cap risk	This is the risk associated with investing in smaller companies, which generally exhibit higher growth rates, while also carrying greater risk compared to larger companies.
Term risk	This is the risk associated with investing funds at a fixed rate of interest for a specified term. If interest rates rise, the investor could have obtained higher returns from investing for a shorter term, multiple times.
Valuation risk	This is the risk that the value of an asset is mis-stated. This is due to the potential disparity between an asset's accounting value as compared to its actual fair market value when traded. Measuring assets at fair value across time ensures equity for members as they invest into, withdraw from or switch between different investments and options.

You should read all the information about the investment risks and diversification before making an investment decision. The material relating to investments may change between the time you read the PDS and the day you sign the application form.

All options are subject to some or all of these risks, which can also vary from time to time.

You should consult your financial adviser before making a decision to invest. Your financial adviser is required to be qualified in understanding the risk and return associated with the wide range of options available to you and can help you make decisions regarding these options.

Additional information about currency risk

How is currency risk managed?

Changes in the value of the Australian dollar lead to a difference between the foreign currency returns or the value of the global investments held by an option, and those returns or values expressed in Australian dollars. This is known as foreign currency risk. Currency is not an asset class and therefore does not give an option either natural long-term growth or an income stream. Rather, currency exposure gives rise to a source of potential volatility of returns – both positive and negative.

Financial instruments can be used to reduce currency risk – this is known as hedging. Hedging is a process where exposure to one currency can be reduced or removed by entering into a transaction that offsets that exposure. If an option is unhedged, then any foreign currency investments the option holds are fully exposed to movements in the Australian dollar, which can have a positive or negative effect on the value of the option.

Whether an option is hedged or unhedged is disclosed under each option's strategy. The extent to which an option is hedged depends on the underlying objectives and risk characteristics of the option. The extent of hedging may also vary over time depending on the value of the Australian dollar. The cash asset allocation limits disclosed for an option that hedges its currency exposure may not include cash held as collateral to back these hedges.

In options that hedge currency risk, movements in the Australian dollar can impact the size of distributions. Generally, a rising Australian dollar will produce gains on the currency hedge and increase the distribution, while a falling Australian dollar will produce currency losses that reduce the distribution.

For more information on specific hedging strategies, please contact us on 1300 654 666.

How does currency hedging affect my investment option?

	When the Australian dollar (AUD) falls against foreign currencies	When the Australian dollar (AUD) rises against foreign currencies
Without hedging	Generally, the fall in the AUD will increase the AUD value of underlying investments that are not denominated in AUD.	Generally, the rise in the AUD will decrease the AUD value of underlying investments that are not denominated in AUD.
With hedging	Generally, currency hedging will offset some or all of the benefit arising from the fall in the Australian dollar. The increase in the AUD value of underlying investments not denominated in AUD will be partially or fully offset by currency hedging.	Generally, currency hedging will offset some or all of the impact arising from the rise in the Australian dollar. The decrease in the AUD value of underlying investments not denominated in AUD will be partially or fully offset by currency hedging.

The impact on the option of the fall or depreciation against a specific foreign currency may also be offset by other factors.

Investment options and currency management

Options with non-AUD denominated securities have different strategies in managing currency risk and they can be broadly grouped in terms of their management approach under the following headings.

Not hedged

The general investment philosophy in constructing these portfolios is that an active currency hedging strategy is not used and could be a source of additional risk rather than return. In most cases, these portfolios will not have any currency hedging in place.

Partially hedged

Some investment managers may apply different levels of hedging at different times, possibly dependent on the value of the AUD. For example, they may apply hedging only after the AUD has depreciated to a significant extent and when they believe it is fundamentally undervalued. The degree of hedging undertaken may range from 0% to 100% of the portfolio. The degree of hedging would also depend upon whether the fund is single sector or multi-sector. Multi-sector funds typically have a mix of hedged and unhedged assets.

Fully hedged

Currency movements can disguise the return from the underlying investments and consequently some options aim to hedge the currency exposure. These options generally aim to fully hedge their currency exposures to the AUD at all times, within certain permissible tolerances to allow for factors such as the change in value of the underlying assets and how often a currency hedge is adjusted.

Active currency management

Some options may implement currency positions to try to create additional return through currency movements. This approach may create currency exposures additional to those arising from the underlying positions and these exposures may or may not add to the portfolio's return. There is a risk that the additional currency exposures will reduce return.

Additional disclosure required for hedge funds and other complex options

Hedge funds and funds with certain hedge fund characteristics can pose more complex risks for investors than traditional managed investment schemes. This can arise due to their diverse investment strategies, in many cases involving the use of leverage and complex and offshore structures.

The Australian Securities and Investments Commission (ASIC) has identified some characteristics that distinguish hedge funds from other managed investment schemes in its Regulatory Guide 240, such as the use of leverage, derivatives and short selling, charging performance fees, or funds that have complex investment strategies or structures.

Where an option exhibits two or more of the characteristics defined, ASIC requires responsible entities to provide additional reporting and disclosure.

While these ASIC requirements only apply to managed investment schemes, not superannuation options, we will still provide this additional reporting and disclosure for the following superannuation investment options:

Option name
Aspect Diversified Futures
Platinum Asia
Platinum International

For each option identified, we will report against the following benchmarks as required by ASIC:

- Valuation of assets: information about whether assets which are not exchange-traded are valued by an independent administrator or an independent valuation service provider, and
- Periodic reporting.

Where we can't provide all the components of the periodic reporting benchmark, we will explain why we can't and the types of information which will be provided instead so that you can monitor the investment performance of your option.

In addition, for each option identified, we will provide the Disclosure principles in the Reference Guide – Complex Funds, available at cfs.com.au/complex. This information will be updated from time to time, in accordance with our legal obligations.

Are there any other risks you should be aware of?

When investing, there is the possibility that your investment goals will not be met. This can happen because of the risks discussed previously. It can also happen if the default option or your chosen investment strategy is not aligned to your objectives and investment timeframe.

Understanding the investment option information

Each option has a profile, such as the example shown here, detailing option-specific investment information.

Investment option name 1 | 2 **Investment category**

3 **Objective**

To provide returns similar to those of a global equity index, but with significantly lower absolute volatility and superior downside protection, over the longer term. The fund aims to perform in line with the MSCI All Country World Index over rolling three-year periods before fees.

5 **Minimum suggested timeframe**

At least 7 years

6 **Risk**

Low — Medium — High: 6

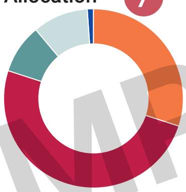
8 **Option-specific risks**

- Emerging markets risk
- Credit risk
- Currency risk

Strategy 4

The fund's investment strategy is based on building an equity portfolio that aims to provide returns similar to those of the global equity market but with lower absolute volatility than the global market over the full market cycle. The fund aims to exploit the 'low volatility anomaly', the historical pattern in which higher volatility stocks have underperformed lower volatility stocks on a risk adjusted basis. The initial consideration in constructing the portfolio is its overall level of risk; in addition, the fund uses the same stock forecasts as the fund manager's other equity strategies.

Allocation 7



Target	(Range)	
30.0%	(25–45%)	Australian shares
50.0%	(35–55%)	Global shares and private equity
0.0%	(0–15%)	Property
0.0%	(0–15%)	Infrastructure
9.0%	(0–20%)	Australian fixed interest
10.0%	(0–20%)	Global fixed interest
1.0%	(0–10%)	Cash

Underlying investment managers 9

ACADIAN — First Sentier Investors — Tyndall

SAMPLE FUND

An explanation of each section of the option profile is provided below.

1 **Investment option name** — Name of the investment.

2 **Investment category** — The investment category is designed to be a guide to the typical range of assets in which the option generally invests. There are no mandatory or standard industry investment categories, so investors should always read the full details about an option.

Investment category	Description
Cash and deposits	At-call deposits, term deposits and funds invested in money market securities
Australian fixed interest	Funds invested predominantly in domestic fixed interest securities
Diversified fixed interest	Funds invested in global fixed interest securities (or a combination of global and domestic)
Short duration fixed interest	Funds invested in domestic and/or global fixed interest securities with an absolute return focus, lower risk and minimal duration
Defensive	Funds with between 0–20% invested in growth assets and 80–100% in defensive assets
Conservative	Funds with between 21–40% invested in growth assets and 60–79% in defensive assets
Moderate	Funds with between 41–60% invested in growth assets and 40–59% in defensive assets
Growth	Funds with between 61–80% invested in growth assets and 20–39% in defensive assets
High growth	Funds with between 81–100% invested in growth assets and 0–19% in defensive assets

Investment category	Description
Australian share	Funds invested in Australian shares
Australian share – small companies	Funds invested in Australian small company shares
Global share	Funds invested in global shares, which can include thematic funds or funds that may incorporate shorting but which is not integral to their investment process
Global share – emerging markets	Funds invested in emerging markets, Asia ex Japan, emerging Asia, Asia Pacific ex Japan or China shares
Specialist share	Funds invested in specific sectors or regions, global small companies or long/short strategies
Geared funds	Funds which borrow to typically invest in Australian or global shares or other listed securities
Australian property and infrastructure securities	Funds invested in Australian property and/or infrastructure securities
Global property and infrastructure securities	Funds invested in global property and/or infrastructure securities
Alternatives	Funds may include, but are not limited to, absolute return funds, diversified hedge funds, global macro funds, commodity trading and currency funds

3 Objective

The option's overall objective and the term in which the investment manager aims to achieve it.

4 Strategy

Describes the overall strategy of the option and how money within the option is invested.

5 Minimum suggested timeframe

Each option has a minimum suggested timeframe. Investment professionals will have differing views about the minimum investment period you should hold various investments, and your own personal circumstances will also affect your decision. Your financial adviser can help you determine your investment timeframe.

If you are mainly concerned about protecting your capital over a relatively short period of time, then a secure, cash-based investment may be the most suitable. However, if you want the value of your investment to increase over a longer period, then growth assets like shares and property are likely to feature prominently in your investment portfolio.

6 Risk

We have adopted the Standard Risk Measure (SRM), which is based on industry guidance to allow investors to compare options that are expected to deliver a similar number of negative annual returns over any 20-year period (as outlined in the table on the right). The SRM for each option is also a measure of the risk objective of the expected variability of the return of the option.

The SRM is not a complete assessment of all forms of investment risk; for instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives.

Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Investors should still ensure they are comfortable with the risks and potential losses associated with their chosen option(s).

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

7	Allocation	The asset allocation refers to the proportion of an option that is invested in each asset class such as shares, property securities, fixed interest and cash. The asset allocation will vary at different points in time. The target allocation (also known as strategic asset allocation) reflects the proportion of each asset class that an investment manager aims to hold within the option. The range reflects the minimum and maximum amount that may be held in each asset class at any point in time. **Note:** Some options do not use a benchmark. The actual asset allocations can move above and below the target asset allocation. While usually remaining within any ranges provided, actual asset allocations may temporarily move outside the ranges due to movements in asset values. If this occurs, we will work with the investment manager to rebalance the allocations as soon as practicable.
8	Option-specific risks	Option-specific risks refers to the additional risks a particular option may be exposed to.
9	Underlying investment managers	For some options, this shows the professionally selected investment managers which have been appointed to manage the money in the option.

You should regularly review your investment decision with your financial adviser because your investment needs or market conditions may change over time. The minimum suggested investment timeframe and SRM should not be considered personal advice.

CFS Lifestage

You should be aware of the following information in relation to the CFS Lifestage options:

1. The asset allocation of each Lifestage option is actively managed and may vary over time. The current asset allocation is set out within the Investment Option Profiles on the Performance & Fees page at cfs.com.au/personal/funds-and-performance.html. Asset allocation figures may not sum to 100% due to rounding.
2. The 'Cash and defensive alternatives' investment allocation for each Lifestage option may vary over time. Up to 100% of the total allocation may be to either cash or defensive alternatives.

CFS Lifestage 1945–49

Objective

To achieve a return of Consumer Price Index (CPI) plus 1.0% per annum over rolling five-year periods after fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

Low — Medium — High: 5

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to generate a mix of income and long-term capital growth with an emphasis on stable returns. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation

Target	(Range)	
8.8%	(0–20%)	Cash and defensive alternatives
35.2%	(20–55%)	Fixed interest and private debt
12.8%	(0–30%)	Property, infrastructure and alternatives
17.8%	(10–25%)	Australian shares
25.4%	(20–40%)	Global shares and private equity

CFS Lifestage 1950–54

Objective

To achieve a return of Consumer Price Index (CPI) plus 1.0% per annum over rolling five-year periods after fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

Low — Medium — High: 5

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to generate a mix of income and long-term capital growth with an emphasis on stable returns. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation

Target	(Range)	
8.8%	(0–20%)	Cash and defensive alternatives
35.2%	(20–55%)	Fixed interest and private debt
12.8%	(0–30%)	Property, infrastructure and alternatives
17.8%	(10–25%)	Australian shares
25.4%	(20–40%)	Global shares and private equity

CFS Lifestage 1955–59

Objective

To achieve a return of Consumer Price Index (CPI) plus 1.0% per annum over rolling five-year periods after fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to generate a mix of income and long-term capital growth with an emphasis on stable returns. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation

Target	(Range)	
8.8%	(0–20%)	Cash and defensive alternatives
35.2%	(20–55%)	Fixed interest and private debt
12.8%	(0–30%)	Property, infrastructure and alternatives
17.8%	(10–25%)	Australian shares
25.4%	(20–40%)	Global shares and private equity

CFS Lifestage 1960–64

Objective

To achieve a return of Consumer Price Index (CPI) plus 1.5% per annum over rolling seven-year periods after fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to generate a mix of long-term capital growth and income. The strategy seeks to reduce volatility of returns, and over time the portfolio's exposure to assets with volatile returns will be reduced to provide greater short-term security. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation

Target	(Range)	
8.8%	(0–15%)	Cash and defensive alternatives
28.9%	(20–45%)	Fixed interest and private debt
13.6%	(0–30%)	Property, infrastructure and alternatives
20.0%	(10–30%)	Australian shares
28.8%	(20–45%)	Global shares and private equity

CFS Lifestage 1965–69

Objective

To achieve a return of Consumer Price Index (CPI) plus 2.5% per annum over rolling ten-year periods after fees and taxes.

Minimum suggested timeframe

At least 10 years

Risk

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to provide long-term capital growth, but which may have a high level of short-to-medium-term volatility. Over time, the portfolio's exposure to assets with volatile returns will be reduced to provide greater short-term security. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation

Target	(Range)	
6.6%	(0–15%)	Cash and defensive alternatives
16.2%	(0–30%)	Fixed interest and private debt
15.0%	(0–30%)	Property, infrastructure and alternatives
25.7%	(20–35%)	Australian shares
36.5%	(25–45%)	Global shares and private equity

CFS Lifestage 1970–74

Objective

To achieve a return of Consumer Price Index (CPI) plus 3.0% per annum over rolling ten-year periods after fees and taxes.

Minimum suggested timeframe

At least 10 years

Risk

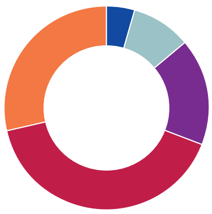
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to provide long-term capital growth, but which may have a high level of short-to-medium-term volatility. In the long term, the portfolio's exposure to assets with volatile returns will be reduced to provide greater short-term security. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation



Target	(Range)	
4.5%	(0–15%)	Cash and defensive alternatives
9.5%	(0–25%)	Fixed interest and private debt
17.1%	(0–30%)	Property, infrastructure and alternatives
28.5%	(20–35%)	Australian shares
40.6%	(25–45%)	Global shares and private equity

CFS Lifestage 1975–79

Objective

To achieve a return of Consumer Price Index (CPI) plus 3.0% per annum over rolling ten-year periods after fees and taxes.

Minimum suggested timeframe

At least 10 years

Risk

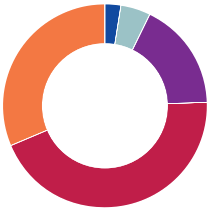
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to provide long-term capital growth, but which may have a high level of short-to-medium-term volatility. In the long term, the portfolio's exposure to assets with volatile returns will be reduced to provide greater short-term security. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation



Target	(Range)	
2.6%	(0–10%)	Cash and defensive alternatives
4.9%	(0–15%)	Fixed interest and private debt
17.0%	(0–30%)	Property, infrastructure and alternatives
31.3%	(25–40%)	Australian shares
44.3%	(30–50%)	Global shares and private equity

CFS Lifestage 1980–84

Objective

To achieve a return of Consumer Price Index (CPI) plus 3.0% per annum over rolling ten-year periods after fees and taxes.

Minimum suggested timeframe

At least 10 years

Risk

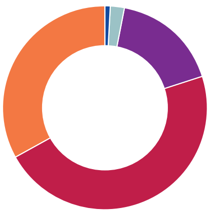
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to provide long-term capital growth, but which may have a high level of short-to-medium-term volatility. In the very long term, the option's exposure to assets with volatile returns will be reduced to provide greater short-term security. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation



Target	(Range)	
1.1%	(0–5%)	Cash and defensive alternatives
2.0%	(0–10%)	Fixed interest and private debt
17.2%	(0–30%)	Property, infrastructure and alternatives
33.0%	(25–40%)	Australian shares
46.8%	(30–50%)	Global shares and private equity

CFS Lifestage 1985–89

Objective

To achieve a return of Consumer Price Index (CPI) plus 3.0% per annum over rolling ten-year periods after fees and taxes.

Minimum suggested timeframe

At least 10 years

Risk

6

Low Medium High

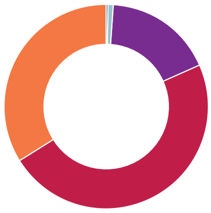
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to provide long-term capital growth, but which may have a high level of short-to-medium-term volatility. In the very long term, the option's exposure to assets with volatile returns will be reduced to provide greater short-term security. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation



Target	(Range)	
0.5%	(0–5%)	Cash and defensive alternatives
0.9%	(0–10%)	Fixed interest and private debt
17.2%	(0–32%)	Property, infrastructure and alternatives
33.7%	(25–40%)	Australian shares
47.8%	(30–55%)	Global shares and private equity

CFS Lifestage 1990–94

Objective

To achieve a return of Consumer Price Index (CPI) plus 3.0% per annum over rolling ten-year periods after fees and taxes.

Minimum suggested timeframe

At least 10 years

Risk

6

Low Medium High

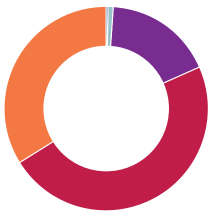
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to provide long-term capital growth, but which may have a high level of short-to-medium-term volatility. In the very long term, the option's exposure to assets with volatile returns will be reduced to provide greater short-term security. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation



Target	(Range)	
0.5%	(0–5%)	Cash and defensive alternatives
0.9%	(0–10%)	Fixed interest and private debt
17.2%	(0–32%)	Property, infrastructure and alternatives
33.7%	(25–40%)	Australian shares
47.8%	(30–55%)	Global shares and private equity

CFS Lifestage 1995–99

Objective

To achieve a return of Consumer Price Index (CPI) plus 3.0% per annum over rolling ten-year periods after fees and taxes.

Minimum suggested timeframe

At least 10 years

Risk

6

Low Medium High

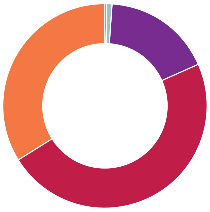
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to provide long-term capital growth, but which may have a high level of short-to-medium-term volatility. In the very long term, the option's exposure to assets with volatile returns will be reduced to provide greater short-term security. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation



Target	(Range)	
0.5%	(0–5%)	Cash and defensive alternatives
0.9%	(0–10%)	Fixed interest and private debt
17.2%	(0–32%)	Property, infrastructure and alternatives
33.7%	(25–40%)	Australian shares
47.8%	(30–55%)	Global shares and private equity

CFS Lifestage 2000–04

Objective

To achieve a return of Consumer Price Index (CPI) plus 3.0% per annum over rolling ten-year periods after fees and taxes.

Minimum suggested timeframe

At least 10 years

Risk

6

Low Medium High

Option-specific risks

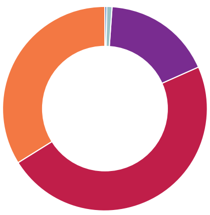
- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to provide long-term capital growth, but which may have a high level of short-to-medium-term volatility. In the very long term, the option's exposure to assets with volatile returns will be reduced to provide greater short-term security. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation

Allocation[1]



Target	(Range)	
0.5%	(0–5%)	Cash and defensive alternatives
0.9%	(0–10%)	Fixed interest and private debt
17.2%	(0–32%)	Property, infrastructure and alternatives
33.7%	(25–40%)	Australian shares
47.8%	(30–55%)	Global shares and private equity

CFS Lifestage 2005–09

Objective

To achieve a return of Consumer Price Index (CPI) plus 3.0% per annum over rolling ten-year periods after fees and taxes.

Minimum suggested timeframe

At least 10 years

Risk

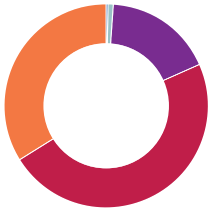
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To invest in a diverse range of assets that are expected to provide long-term capital growth, but which may have a high level of short-to-medium-term volatility. In the very long term, the option's exposure to assets with volatile returns will be reduced to provide greater short-term security. The option may use derivatives with the objective of managing portfolio volatility. The portfolio aims to hedge currency risk except for part of the allocation to global shares (which may include emerging market shares).

Allocation



Target	(Range)	
0.5%	(0–5%)	Cash and defensive alternatives
0.9%	(0–10%)	Fixed interest and private debt
17.2%	(0–32%)	Property, infrastructure and alternatives
33.7%	(25–40%)	Australian shares
47.8%	(30–55%)	Global shares and private equity

Multi-manager multi-sector

Composite benchmarks for each of the Multi-manager multi-sector options can be found in the table starting on page 53.

For options with an allocation to 'Cash and defensive alternatives' or 'Cash', cash holdings may be held on deposit with Commonwealth Bank of Australia.

CFS Defensive

Defensive

Objective

To provide relatively stable returns with low potential for capital loss. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 3 years

Risk

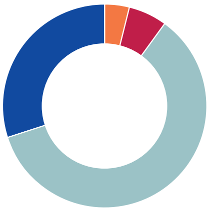
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Short selling risk
- Term risk
- Valuation risk

Strategy

To allocate 90% of the investments to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. 10% of the portfolio is allocated to growth assets, such as shares and property securities, to improve diversification and performance. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation



Target	(Range)	
4.0%	(0–10%)	Australian shares
6.0%	(0–10%)	Global shares and private equity
60.0%	(45–70%)	Fixed interest and private debt
30.0%	(20–45%)	Cash and defensive alternatives

CFS Conservative

Conservative

Objective

To provide relatively stable returns over the medium term with the potential for some long-term capital growth. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 3 years

Risk

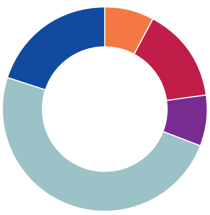
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Short selling risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To allocate 70% of investments to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. 30% of the portfolio is allocated to growth assets, such as shares, property and infrastructure securities, to provide the potential for capital growth. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the target but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation[1]



Target	(Range)	
8.0%	(0–20%)	Australian shares
15.0%	(5–25%)	Global shares and private equity
8.0%	(0–20%)	Property, infrastructure, alternatives
49.0%	(35–60%)	Fixed interest and private debt
20.0%	(10–30%)	Cash and defensive alternatives

1 The target asset allocations and corresponding composite benchmarks disclosed reflect the strategic asset allocations that we are progressively implementing as opportunities arise.

CFS Diversified

Moderate

Objective

To provide a balance of income and capital growth over the medium-to-long term. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Short selling risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To allocate 50% of investments to growth assets such as shares, property and infrastructure securities and 50% to defensive assets such as fixed interest and cash. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation[1]

Target	(Range)	
14.5%	(5–25%)	Australian shares
27.0%	(15–35%)	Global shares and private equity
10.0%	(0–20%)	Property, infrastructure, alternatives
36.0%	(20–45%)	Fixed interest and private debt
12.5%	(5–25%)	Cash and defensive alternatives

1 The target asset allocations and corresponding composite benchmarks disclosed reflect the strategic asset allocations that we are progressively implementing as opportunities arise.

CFS Moderate

Moderate

Objective

To provide a balance of income and capital growth over the medium-to-long term. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Equity risk
- Emerging markets risk
- Short selling risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To allocate 60% of investments to growth assets such as shares, property and infrastructure securities and 40% to defensive assets such as fixed interest and cash. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation[1]

Target	(Range)	
18.0%	(10–30%)	Australian shares
31.5%	(20–40%)	Global shares and private equity
12.0%	(0–20%)	Property, infrastructure, alternatives
29.0%	(20–40%)	Fixed interest and private debt
9.5%	(0–20%)	Cash and defensive alternatives

1 The target asset allocations and corresponding composite benchmarks disclosed reflect the strategic asset allocations that we are progressively implementing as opportunities arise.

CFS Balanced

Growth

Objective

To provide capital growth and income over the long term. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

Low	Medium	High
		6

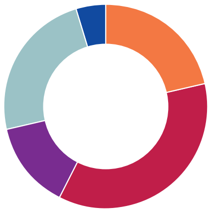
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Equity risk
- Emerging markets risk
- Short selling risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To allocate 70% of investments to growth assets such as shares, property and infrastructure securities, and 30% to defensive assets such as fixed interest and cash. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation[1]



Target	(Range)	
21.5%	(10–30%)	Australian shares
36.0%	(25–45%)	Global shares and private equity
14.0%	(5–25%)	Property, infrastructure, alternatives
24.0%	(15–30%)	Fixed interest and private debt
4.5%	(0–15%)	Cash

1 The target asset allocations and corresponding composite benchmarks disclosed reflect the strategic asset allocations that we are progressively implementing as opportunities arise.

CFS Growth

Growth

Objective

To provide long-term capital growth with less fluctuations of returns than 'high growth' investment options. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

Low	Medium	High
		6

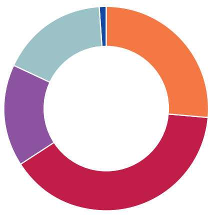
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Short selling risk
- Small cap risk
- Term risk
- Valuation risk

Strategy

To allocate 80% of investments to growth assets such as shares, property and infrastructure securities and 20% to defensive assets such as fixed interest and cash. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation[1]



Target	(Range)	
26.5%	(15–35%)	Australian shares
39.5%	(30–50%)	Global shares and private equity
16.0%	(5–25%)	Property, infrastructure, alternatives
17.0%	(5–20%)	Fixed interest and private debt
1.0%	(0–10%)	Cash

1 The target asset allocations and corresponding composite benchmarks disclosed reflect the strategic asset allocations that we are progressively implementing as opportunities arise.

CFS High Growth

High growth

Objective

To provide long-term capital growth by investing primarily in growth assets. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

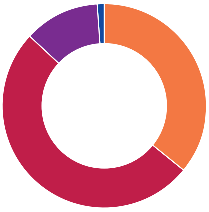
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Short selling risk
- Small cap risk
- Valuation risk

Strategy

To invest primarily in a diversified portfolio of shares, property and infrastructure securities. In order to provide further diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation



Target	(Range)	
36.0%	(25–45%)	Australian shares
51.0%	(40–60%)	Global shares and private equity
12.0%	(0–20%)	Property, infrastructure, alternatives
1.0%	(0–5%)	Cash

Multi-manager single-sector

The underlying investment managers listed for each option are correct as at 16 November 2024.

CFS Fixed Interest

Diversified fixed interest

Objective

To provide relatively stable returns with low potential for capital loss by investing in Australian and global fixed interest securities. To outperform the composite benchmark of 50% Bloomberg Global Aggregate Index, hedged to Australian dollars and 50% Bloomberg AusBond Composite 0+Yr Index over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 3 years

Risk

5

Low Medium High

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Short selling risk
- Term risk

Strategy

To invest in a diversified portfolio of government and corporate bonds that aims to deliver relatively stable returns with less fluctuation than investing in shares and property. The investments are managed by a number of leading active fixed interest managers who aim to outperform the index. This is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The portfolio aims to hedge currency risk.

Underlying investment managers

Colchester Global Investors

Loomis Sayles

Macquarie Investment Management

Morgan Stanley Investment Management

Wellington Management

CFS Australian Share

Australian share

Objective

To provide long-term capital growth and some tax-effective income from a diversified portfolio of predominantly Australian companies. To outperform the S&P/ASX 300 Accumulation Index over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

Option-specific risks

- Equity risk

Strategy

To invest in a diversified portfolio of predominantly Australian companies. The investments are managed by a number of leading Australian share managers which have different, yet complementary, investment styles, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager.

Underlying investment managers

Acadian

WaveStone Capital

Alphinity Investment Management

Tyndall am

Longreach Alternatives

CFS Australian Small Companies

Australian share – small companies

Objective

To provide long-term capital growth from a diversified portfolio of predominantly smaller listed Australian companies. To outperform the S&P/ASX Small Ordinaries Accumulation Index over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

Option-specific risks

- Equity risk
- Short selling risk
- Small cap risk

Strategy

To invest in a diversified portfolio of predominantly smaller listed Australian companies. The investments are managed by a number of managers, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The underlying managers of this option may use long short strategies.

Underlying investment managers

CFS Global Share

Global share

Objective

To provide long-term capital growth from a diversified portfolio of global shares. To outperform the MSCI All Country World ex Australia Index over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

Option-specific risks

- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk

Strategy

To invest in a diversified portfolio of companies. The investments are managed by a number of leading global share managers which have different, yet complementary, investment styles, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager.

The underlying managers of this option have guidelines for managing currency exposure. The overall portfolio does not hedge currency risk.

Underlying investment managers

CFS Property Securities

Australian property and infrastructure securities

Objective

To provide capital growth and income from a diversified portfolio of listed property investments. To outperform the S&P/ASX 300 A-REIT Accumulation Index over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

Option-specific risks

- Equity risk

Strategy

To invest in a diversified portfolio of predominantly Australian property securities. The investments are managed by a number of leading property securities managers, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager.

Underlying investment managers

CFS Global Infrastructure Securities

Objective

To provide capital growth and income from a diversified portfolio of global listed infrastructure investments. To outperform the FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), hedged to Australian dollars, over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

Option-specific risks

- Currency risk
- Derivatives risk
- Equity risk

Strategy

To invest in a diversified portfolio of infrastructure securities. The investments are managed by a number of leading global infrastructure securities managers, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The portfolio aims to hedge currency risk.

Underlying investment managers

ATLAS INFRASTRUCTURE

COHEN & STEERS

LAZARD ASSET MANAGEMENT

CFS Sustainability

CFS Thrive+ Sustainable Growth

Growth

Objective[1]

To provide capital growth and income over the long term. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

Option-specific risks

- Credit risk
- Currency risk
- Emerging markets risk
- Equity risk
- Investment performance risk from sustainability exclusions
- Term risk
- Valuation risk

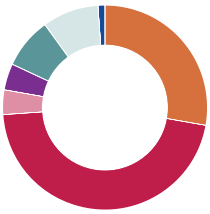
Strategy

The option is managed to sustainable investment criteria that encourages investment in companies with a sustainable business and strong environment, social and governance characteristics. It seeks out companies that are aiming to achieve sustainable outcomes whilst seeking to avoid companies, that in the view of CFS and the Thrive+ investment managers, will have an adverse effect on the environment or society.

This option is governed by the *Thrive+ Sustainable Investment Charter* which details the Manager's approach and process to sustainable investment and exclusions. Note that investment exclusions do not apply to cash, derivative instruments, exchange traded funds and pooled unit trusts that may be used by the option.

This option allocates 80% of investments to growth assets such as Australian and global shares to provide potential for capital growth, and 20% to defensive assets such as fixed interest and cash. In order to provide additional diversification, the portfolio is allocated across a number of investment managers. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for part of the allocation to global shares.

Allocation[2]



Target	(Range)	
28.0%	(20–40%)	Australian shares
46.0%	(35–55%)	Global shares and private equity
4.0%	(0-15%)	Property
4.0%	(0-15%)	Infrastructure
8.0%	(0–20%)	Australian fixed interest
9.0%	(0–20%)	Global fixed interest
1.0%	(0–10%)	Cash

1 The option's composite benchmark is shown on page 54.

2 The trustee intends to allocate funds to property and infrastructure investments in the future provided market conditions are favourable. The current asset allocation is set out within the Investment Option Profiles on the Performance & Prices page at cfs.com.au/funds-and-performance

This option considers aspects of ESG factors as part of its investment strategy. More information is provided in the Reference Guide – Sustainable Funds, available online at cfs.com.au/sustainable or by calling 13 13 36.

CFS Enhanced Index Series

Composite benchmarks for each of the CFS Enhanced Index Series options can be found in the table starting on page 53.

For all of these options, the allocation to 'Cash' may include bank deposits and/or life company annuities.

CFS Enhanced Index Conservative

Conservative

Objective

To provide relatively stable returns over the medium term with the potential for some long-term capital growth. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 3 years

Risk

4

Low Medium High

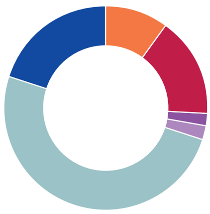
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk

Strategy

The option allocates 70% of investments to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. The fixed interest component includes broadly diversified allocations to government bonds and credit. 30% of the portfolio is allocated to growth assets such as shares and property and infrastructure securities to provide potential for capital growth. The shares component is managed using an approach aiming to deliver long term returns above that of market capitalisation indices. The property and infrastructure components are managed to closely match the returns of relevant market capitalisation indices. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation



Target	(Range)	
10.0%	(0–20%)	Australian shares
16.0%	(5–25%)	Global shares
2.0%	(0–10%)	Global property securities
2.0%	(0–10%)	Global infrastructure securities
50.0%	(40–60%)	Fixed interest
20.0%	(10–30%)	Cash

CFS Enhanced Index Diversified

Moderate

Objective

To provide a balance of income and capital growth over the medium-to-long term. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

5

Low Medium High

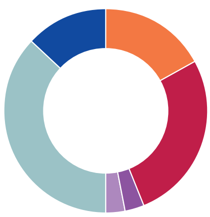
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk

Strategy

The option allocates 50% of investments to growth assets such as shares and property and infrastructure securities to provide potential for capital growth. The shares component is managed using an approach aiming to deliver long term returns above that of market capitalisation indices. The property and infrastructure components are managed to closely match the returns of relevant market capitalisation indices. 50% of the portfolio is allocated to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. The fixed interest component includes broadly diversified allocations to government bonds and credit. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation



Target	(Range)	
17.0%	(5–25%)	Australian shares
27.0%	(15–35%)	Global shares
3.0%	(0–15%)	Global property securities
3.0%	(0–15%)	Global infrastructure securities
37.0%	(25–45%)	Fixed interest
13.0%	(5–25%)	Cash

CFS Enhanced Index Moderate

Moderate

Objective

To provide a balance of income and capital growth over the medium-to-long term. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

5

Low Medium High

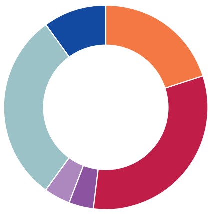
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk

Strategy

The option allocates 60% of investments to growth assets such as shares and property and infrastructure securities to provide potential for capital growth. The shares component is managed using an approach aiming to deliver long term returns above that of market capitalisation indices. The property and infrastructure components are managed to closely match the returns of relevant market capitalisation indices. 40% of the portfolio is allocated to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. The fixed interest component includes broadly diversified allocations to government bonds and credit. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation



Target	(Range)	
20.0%	(10–30%)	Australian shares
32.0%	(20–40%)	Global shares
4.0%	(0–15%)	Global property securities
4.0%	(0–15%)	Global infrastructure securities
30.0%	(20–40%)	Fixed interest
10.0%	(0–20%)	Cash

CFS Enhanced Index Balanced

Growth

Objective

To provide capital growth and income over the long term. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

6

Low Medium High

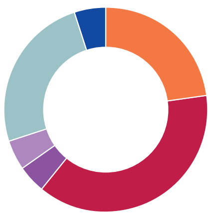
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk
- Term risk

Strategy

The option allocates 70% of investments to growth assets such as shares and property and infrastructure securities to provide potential for capital growth. The shares component is managed using an approach aiming to deliver long term returns above that of market capitalisation indices. The property and infrastructure components are managed to closely match the returns of relevant market capitalisation indices. 30% of the portfolio is allocated to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. The fixed interest component includes broadly diversified allocations to government bonds and credit. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation



Target	(Range)	
23.0%	(15–35%)	Australian shares
38.0%	(30–50%)	Global shares
4.5%	(0–15%)	Global property securities
4.5%	(0–15%)	Global infrastructure securities
25.0%	(15–30%)	Fixed interest
5.0%	(0–15%)	Cash

CFS Enhanced Index Growth

Growth

Objective

To provide long-term capital growth with less fluctuations of returns than 'high growth' option. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

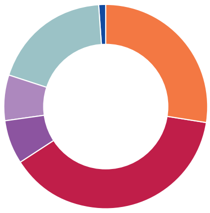
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Small cap risk
- Term risk

Strategy

The option allocates 80% of investments to growth assets such as shares and property and infrastructure securities to provide potential for capital growth. The shares component is managed using an approach aiming to deliver long term returns above that of market capitalisation indices. The property and infrastructure components are managed to closely match the returns of relevant market capitalisation indices. 20% of the portfolio is allocated to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. The fixed interest component includes broadly diversified allocations to government bonds and credit. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation



Target	(Range)	
27.5%	(20–40%)	Australian shares
42.5%	(35–55%)	Global shares
5.0%	(0–15%)	Global property securities
5.0%	(0–15%)	Global infrastructure securities
18.0%	(10–20%)	Fixed interest
2.0%	(0–10%)	Cash

CFS Enhanced Index High Growth

High growth

Objective

To provide long-term capital growth by investing primarily in growth assets. To outperform the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

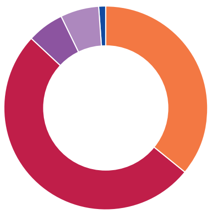
Option-specific risks

- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Small cap risk

Strategy

The option invests primarily in a diversified portfolio of shares and property and infrastructure securities to provide potential for capital growth. The shares component is managed using an approach aiming to deliver long term returns above that of market capitalisation indices. The property and infrastructure components are managed using market capitalisation indices. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Allocation



Target	(Range)	
36.0%	(25–45%)	Australian shares
51.0%	(40–60%)	Global shares
6.0%	(0–15%)	Global property securities
6.0%	(0–15%)	Global infrastructure securities
1.0%	(0–5%)	Cash

CFS Index Series

CFS Index Growth

Growth

Objective[1]

To provide long-term capital growth with less fluctuations of returns than 'high growth' investment option. To closely track the option's composite benchmark over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

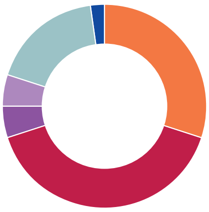
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Term risk

Strategy

The option allocates 80% of investments to growth assets such as shares, property and infrastructure securities to provide potential for capital growth. The growth assets are managed using market capitalisation indices. 20% of the portfolio is allocated to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. The fixed interest component is managed on a traditional index basis while the cash component may include money market securities, bank deposits and annuities. Allocations to asset classes will generally align to the benchmark but the option may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk, except for a part of the allocation to global shares.

Allocation



Target	(Range)	
30.0%	(20–40%)	Australian shares
40.0%	(30–50%)	Global shares
5.0%	(0–15%)	Global property securities
5.0%	(0–15%)	Global infrastructure securities
18.0%	(10–20%)	Fixed interest
2.0%	(0–10%)	Cash

1 The option's composite benchmark is shown on page 54.

CFS Index Australian Share

Australian share

Objective

To closely track the S&P/ASX 300 Accumulation Index with the aim of generating returns (before taxes and fees and assuming income is reinvested) comparable to the Australian sharemarket as measured by that benchmark over rolling one-year periods.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

- Equity risk

Strategy

Detailed risk analysis is used to design a portfolio of shares which provides the greatest likelihood of matching the performance of the S&P/ASX 300 Accumulation Index. All shares in this option are maintained within a very close margin to their weight in the Index. The option predominantly invests in Australian companies and therefore does not hedge currency risk.

Allocation

Target	(Range)	
100.0%	(95–100%)	Australian shares
0.0%	(0–5%)	Cash

CFS Index Property Securities

Australian property and infrastructure securities

Objective

To closely track the S&P/ASX 200 A-REIT Accumulation Index with the aim of generating returns (before taxes and fees and assuming income is reinvested) comparable to the listed property sector of the Australian sharemarket, as measured by that benchmark over rolling one-year periods.

Minimum suggested timeframe

At least 7 years

Risk

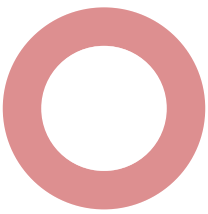
Option-specific risks

- Equity risk

Strategy

Detailed risk analysis is used to design a portfolio of property securities which provides the greatest likelihood of matching the performance of the S&P/ASX 200 A-REIT Accumulation Index. All securities in this option are maintained within a very close margin to their weight in the Index. The option predominantly invests in Australian property securities and therefore does not hedge currency risk.

Allocation



Target	(Range)	
100.0%	(95–100%)	Property securities
0.0%	(0–5%)	Cash

Other Multi-sector

AZ Sestante Growth

High growth

Objective

To provide long-term capital growth by investing in growth assets. To deliver a return in excess of CPI plus 4.5% per annum over rolling five-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

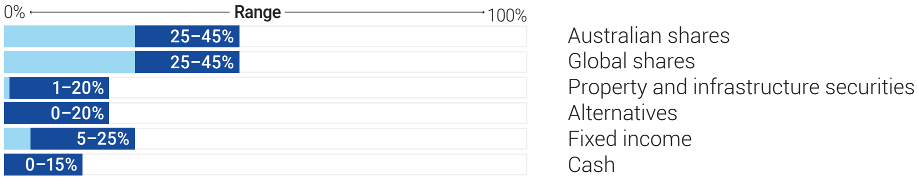
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Short selling risk
- Small cap risk
- Term risk

Strategy

The option's broad asset allocation is to be 80% exposed to growth assets such as shares, property and infrastructure securities and 20% to defensive assets such as fixed interest and cash. The actual asset allocation will vary from this, as the manager uses a tactical asset allocation approach to optimise expected risk and return outcomes for the portfolio. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. The option may hedge its currency exposure.

Allocation



Single-manager single-sector

FirstRate Saver

Cash and deposits

Objective

To provide positive interest income each month and very low risk by depositing funds with Commonwealth Bank of Australia. For the target return rate, please visit cfs.com.au/firstratereturns

Minimum suggested timeframe

No minimum

Risk

1

Low Medium High

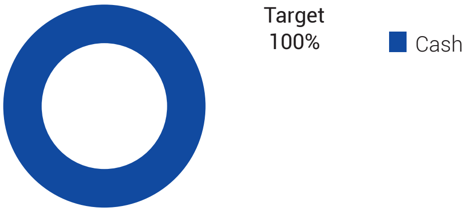
Option-specific risks

- Credit risk

Strategy

To invest in a bank deposit product offered by Commonwealth Bank of Australia.

Allocation



Macquarie Income Opportunities

Short duration fixed interest

Objective

To outperform the Bloomberg AusBond Bank Bill Index over rolling three-year periods before fees and taxes. It aims to provide higher income returns than traditional cash investments at all stages of interest rate and economic cycles by investing in the full spectrum of credit based securities including global credit based securities.

Minimum suggested timeframe

At least 3 years

Risk

4

Low Medium High

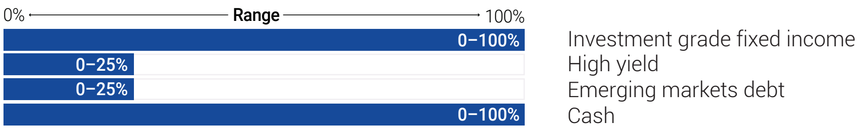
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Term risk

Strategy

The option predominantly provides exposure to a wide range of domestic and global investment grade floating and fixed rate instruments, asset-backed securities, and cash. The option may also have opportunistic exposure to other fixed income sectors and instruments such as, high yield and emerging markets debt as well as other fixed income instruments (such as hybrid securities). Interest rate risk will generally be hedged through the use of derivatives such as swaps and futures. The option is generally hedged to Australian dollars, however exposure to emerging markets debt issued in the local currency of the debt will generally be unhedged. Small active currency positions may also be taken, for example when there are opportunities to add value or hedge risks in the portfolio.

Allocation



PIMCO Australian Bond

Australian fixed interest

Objective

The option utilises PIMCO's core fixed interest strategy of seeking strong, consistent investment returns while at the same time moderating the volatility of returns relative to the benchmark. The option aims to outperform the Bloomberg AusBond Composite 0+ Yr Index dollars over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 3 years

Risk

4

Low Medium High

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Term risk

Strategy

In pursuing the option's objective, PIMCO applies a wide range of diverse strategies including duration analysis, credit analysis, relative value analysis, sector allocation and rotation and individual security selection. PIMCO'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. PIMCO's portfolio construction and risk management efforts are designed to position the portfolio with exposure to a series of moderate risks, ensuring that no single trade idea or risk factor overwhelms the portfolio. Given its dynamic approach to active management, as well as its large size in certain cash markets, PIMCO may rely heavily on derivatives to implement its trade ideas. The option may invest in derivatives to gain or reduce exposure to relevant markets and to manage investment risk. The option aims to hedge currency risk.

Allocation

Target
100%

Cash and fixed interest

Macquarie Dynamic Bond

Diversified fixed interest

Objective

The option aims to outperform the reference benchmark, Bloomberg Global Aggregate Index hedged to Australian dollars, over rolling three-year periods before fees and taxes by dynamically investing in global fixed income instruments. It aims to provide diversification against equity risk as well as capital growth and some income.

Minimum suggested timeframe

At least 3 years

Risk

5

Low Medium High

Option-specific risks

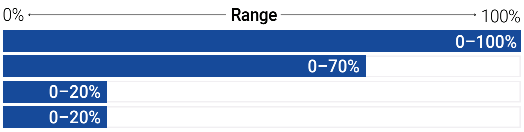
- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Term risk

Strategy

The option provides exposure to an actively managed, benchmark unaware and diversified portfolio of fixed income investments such as sovereign bonds and investment grade credit. The option may also provide exposure to other fixed income sectors such as high yield and emerging markets debt when these are expected to outperform.

Generally, exposure will be to fixed rate notes. The duration profile of the option is actively managed through the use of derivatives such as swaps and futures. The investment process aims to reduce the risk of the option being adversely affected by unexpected events or downgrades in the credit rating of the option's investments. A disciplined framework is used to analyse each sector and proposed investment to assess its risk. The portfolio is generally hedged to Australian dollars.

Allocation



Sovereign bonds[1]
Investment grade credit[2]
High yield
Emerging markets debt[3]

1 Sovereign bonds: Includes Australian government and semi-government, supranational, global sovereign and cash.

2 Investment grade credit: Includes Australian and global investment grade credit.

3 Emerging markets debt: May include holdings of sub-investment grade instruments.

UBS Diversified Fixed Income

Diversified fixed interest

Objective

To provide investors with a total return in excess of the composite benchmark (Bloomberg AusBond Composite 0+Yr Index (50%) and Bloomberg Global Aggregate Index, hedged to Australian dollars (50%)), over rolling three-year periods after fees and taxes.

Minimum suggested timeframe

At least 3 years

Risk

5

Low Medium High

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Term risk

Strategy

The option is actively managed, based on fundamental research that draws upon the investment insights of the Manager's fixed income teams. The approach employs both 'top-down' research, including analysis of economic factors, market data and macro credit themes and 'bottom-up' research in respect of particular securities including analysis of earnings and cash flow stability, balance sheet strength, industry and valuation. The option generally hedges currency risk.

Allocation

Target	(Range)	
50%	(20–80%)	Australian fixed interest and cash
50%	(20–80%)	International fixed interest and cash

Aspect Diversified Futures

Alternatives

Objective

To generate significant medium-term capital growth independent of overall movements in traditional stock and bond markets within a rigorous risk management framework. The option aims to provide a return greater than the Reserve Bank of Australia cash rate over rolling three-year periods after fees and taxes.

Minimum suggested timeframe

At least 5 years

Risk

5

Low Medium High

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Short selling risk

Strategy

Aspect takes a quantitative and systematic approach to investment management. Aspect has no market sector or directional preference, and markets are selected on the basis of diversification, liquidity and transaction costs. Aspect's trend-following systems have exposure to over 230 of the most liquid global financial and commodity futures, currency forwards and (through an unlisted unit trust) other derivative contracts. These trend-following systems employ a quantitative process to collect, process and analyse market data in order for the model to determine a view of the trend-following opportunities in each market in the portfolio. By maintaining a comparatively small exposure to any individual contract, Aspect achieves sector and contract diversification, thereby allowing a wide range of opportunities to be exploited and maximising expected long-term risk-adjusted returns. The option aims to minimise unintentional currency exposure.

Allocation

0% — **Range** — 100%

0–100% Cash, futures and forwards

Note: Global financial and commodity futures, currency forwards and (through an unlisted unit trust) other derivative contracts are used to establish the market exposure of the option. The face value of the option's combined long and short positions will frequently be greater than 100% of the net asset value of the option and, as a result, the option will often be leveraged. The option receives earnings from cash allocations for the benefit of investors.

> This option has been identified as a 'complex' option. More information is provided in the Reference Guide – Complex Funds, available online at cfs.com.au/complex or by calling 13 13 36.

Alphinity Sustainable Share

Australian share

Objective

The option aims to outperform the S&P/ASX 300 Accumulation Index, before fees, costs and taxes over rolling five-year periods.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

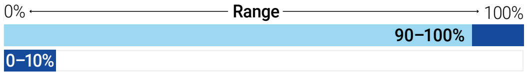
- Derivatives risk
- Equity risk
- Investment performance risk from sustainability exclusions

Strategy

The option aims for a portfolio of high quality companies which have net positive alignment with one or more of the UN's Sustainable Development Goals (SDGs), exceed Alphinity's minimum Environmental, Social and Corporate Governance (ESG) criteria, and fit the investment process described below. The SDGs are a globally-recognised framework that address themes such as climate change, inclusion, healthy lives, and poverty. The option will not invest in companies with greater than 10% of gross revenue from the production or operation of products or activities considered incongruent with the SDGs. These include fossil fuels (including the generation of electricity using fossil fuels); uranium; predatory lending; hostile debt collection; tobacco; alcohol; gambling; pornography; armaments; gold (except as a by-product of other mining); logging of old growth forests; non-sustainable palm oil; factory farming; live animal exports; or animal testing for cosmetic products. We tolerate testing in healthcare only where necessary providing stringent policies are in place.

Alphinity has found that upgrades or downgrades to the market's expectations of a company's earnings ultimately drives its share price, and that there can be a systematic mispricing of individual equities over the short to medium term due to under- or over-estimation of a company's earnings capability. This provides an opportunity for outsized investment returns as the true earnings trajectory becomes apparent to the market over time. Through its well-tested, systematic combination of in-depth fundamental research and targeted quantitative analysis, the Alphinity investment team seeks to identify and invest in quality, undervalued companies in, or about to enter, an earnings upgrade cycle. Importantly, they also seek to avoid companies with deteriorating or overly-optimistic earnings expectations.

Allocation



Australian shares
Cash and Cash equivalents

This option considers aspects of ESG factors as part of its investment strategy. More information is provided in the Reference Guide – Sustainable Funds, available online at cfs.com.au/sustainable or by calling 13 13 36.

Ausbil Australian Active Equity

Australian share

Objective

To provide long-term growth with moderate tax-effective income. The option aims to outperform the S&P/ASX 300 Accumulation Index over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

- Derivatives risk
- Equity risk

Strategy

The option predominantly invests in a portfolio of listed large cap Australian equities in the S&P/ASX 300 Index. The option seeks to identify earnings and earnings revisions at an early stage, and hence to pre-empt stock price movements. The manager also seeks to position the portfolio towards those sectors and stocks which it believes will experience positive earnings revisions and away from those it believes will suffer negative revisions. At any time, the portfolio will be tilted toward stocks which afford the most compelling opportunities for appreciation over the coming 12 months.

Allocation

Target	(Range)	
100.0%	(90–100%)	Australian shares
0.0%	(0–10%)	Cash

Bennelong ex-20 Australian Equities

Australian share

Objective

To provide a total return, through investments in primarily Australian shares, that aims to outperform the S&P/ASX 300 Accumulation Index excluding that part of the return that is generated by the stocks included in the S&P/ASX 20 Index over rolling three-year periods after fees and before taxes.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

- Currency risk
- Derivatives risk
- Equity risk
- Small cap risk

Strategy

The companies within the portfolio are primarily selected from, but not limited to, the S&P/ASX 300 Accumulation Index, excluding the S&P/ASX 20 Index. The option may also invest in securities listed on other exchanges where such securities relate to ASX-listed securities. The option may hedge some currency risk.

Allocation

Target	(Range)	
100.0%	(90–100%)	Australian shares
0.0%	(0–10%)	Cash

Fidelity Australian Equities

Australian share

Objective

To achieve returns in excess of the S&P/ASX 200 Accumulation Index over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

- Currency risk
- Derivatives risk
- Equity risk

Strategy

The Fidelity Australian Equities option provides investors with the potential for long-term capital growth and some income by investing in a diversified portfolio of listed Australian shares.

Fidelity believes that markets are semi-efficient and share prices don't always reflect inherent value. Through in-house, bottom-up company research, Fidelity aims to uncover the opportunities that it believes offer the greatest scope for outperformance. Based on this research approach, Fidelity seeks out stocks that it believes are undervalued and likely to generate growth. The companies selected for the portfolio must demonstrate good management, strong competitive advantages and enjoy favourable industry dynamics. The option may hedge some currency risk.

Allocation

Target	(Range)	
100.0%	(90–100%)	Australian shares
0.0%	(0–10%)	Cash

Perennial Value Australian Share

Australian share

Objective

To grow the value of your investment over the long term via a combination of capital growth and tax-effective income by investing in a diversified portfolio of Australian shares. The option aims to outperform the S&P/ASX 300 Accumulation Index over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

- Currency risk
- Derivatives risk
- Equity risk

Strategy

Perennial Value is an active value-based investment manager which invests in companies which are believed to have sustainable businesses (qualitative) and offer good value (quantitative). Original research is the cornerstone to this approach. Detailed modelling is conducted on approximately 200 companies, comprising the major companies listed on the Australian Securities Exchange and a number of smaller and mid-cap companies where the market capitalisation exceeds $50 million (therefore the shares may at times fall outside the S&P/ASX 300 Accumulation Index). The process aims to ensure that the investment decisions are focused on buying stocks offering good value and selling stocks offering poor value. The option may hedge some currency risk.

Allocation

Target	(Range)	
100.0%	(90–100%)	Australian shares
0.0%	(0–10%)	Cash

Platypus Australian Equities

Australian share

Objective

The option aims to outperform the S&P/ASX 300 Accumulation Index (before fees and expenses) over a rolling three-year rolling period.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

- Equity risk

Strategy

The option aims to deliver strong returns over the medium to long-term by identifying high quality Australian companies with strong future growth prospects. The option adopts a 'high conviction' approach, meaning the portfolio is concentrated, holding typically between 25 and 40 stocks listed on an Australian securities exchange. The option can invest up to 100% of its assets in Australian shares, however, it generally holds up to 10% in cash and cash equivalents.

Allocation

Target	(Range)	
100.0%	(90–100%)	Australian shares
0.0%	(0–10%)	Cash and cash equivalents

Schroder Australian Equity

Australian share

Objective

To outperform the S&P/ASX 200 Accumulation Index over rolling three-year periods before fees and taxes, by investing in a broad range of companies from Australia and New Zealand.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

- Currency risk
- Derivatives risk
- Equity risk

Strategy

The option is an actively managed core Australian equity portfolio with a focus on investing in quality stocks predominantly in Australia characterised by strong returns on capital with a sustainable competitive advantage. The option draws on Schroders' deep research capabilities, with a long term focus on investing, it is suitable as a core portfolio holding over the medium to long term. The option may hedge some currency risk.

Allocation

Target	(Range)	
100.0%	(95–100%)	Australian shares
0.0%	(0–5%)	Cash

OC Premium Small Companies

Australian share – small companies

Objective

To outperform the S&P/ASX Small Ordinaries Accumulation index by 3–5% over rolling five-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

- Equity risk
- Small cap risk

Strategy

OC provides a long-only benchmark-unaware strategy with a target investment universe of ASX-listed securities outside the S&P/ASX 100 Index. OC has a bottom-up, active approach to investing where the research effort is internally driven and focused on company visits and industry analysis. The team has a core focus on high quality businesses, favouring companies with strong management, simple and transparent business models, sustainable competitive advantages, favourable operational risk characteristics and attractive valuation metrics. There is a heavy emphasis on risk management, where OC screens out complex or speculative businesses from its investment process. The team also has a strong sell discipline which helps minimise losses when companies' financial or operational expectations are not met.

Allocation

Target	(Range)	
100.0%	(80–100%)	Australian shares
0.0%	(0–20%)	Cash

Baillie Gifford Long Term Global Growth

Global share

Objective

To outperform the MSCI All Country World Index over rolling five-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

Option-specific risks

- Currency risk
- Emerging markets risk
- Equity risk

Strategy

The option is a purely stock-driven, unconstrained global equity strategy focused on investing in exceptional growth companies. This approach is expressly long term, with Baillie Gifford holding a belief that investing in companies with the scope to grow to multiples of their current size has the potential to transform the returns for investors over time. The option does not hedge currency risk.

Allocation

Target	(Range)	
100.0%	(95–100%)	Global shares
0.0%	(0–5%)	Cash

Capital Group New Perspective

Global share

Objective

The option's investment objective is to outperform the MSCI All Country World Index ("Benchmark") over rolling five-year periods before fees and taxes while achieving long term growth of capital. The strategy invests primarily in common stocks of companies located around the world, which may include Emerging Markets.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

Option-specific risks

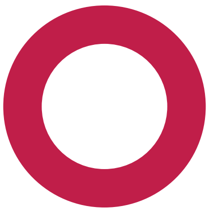
- Currency risk
- Emerging markets risk
- Equity risk
- Investment performance risk from sustainability exclusions

Strategy

The Capital Group New Perspective strategy seeks long-term capital appreciation and focuses on capturing investment opportunities created by global economic growth and changing patterns of world trade and economic relationships. It seeks to invest mainly in stocks of well-established multinational companies. Managers seek to own both global market leaders as well as those which have the capacity to develop into the global market leaders of tomorrow. A high-conviction portfolio is built from bottom-up research, drawing on the best-ideas of several portfolio managers, each of whom makes portfolio decisions independently. The strategy has a global mandate that allows portfolio managers to pursue appreciation through changing global trade patterns – wherever they may occur. The strategy is managed in a manner that is conscious of, but not constrained by, the composition of the Benchmark. New Perspective's composition will typically be different to the benchmark reflecting portfolio managers' bottom-up research. The strategy is not hedged to Australian dollars.

The Capital Group New Perspective strategy aims to manage a carbon footprint for its investment in corporate issues that is generally at least 30% lower than MSCI All Country World Index as well as evaluate and apply ESG and norms-based screening to implement exclusions for corporate issuers.

Allocation



Target	(Range)	
100.0%	(80–100%)	Global shares
0.0%	(0–20%)	Cash

Magellan Global Share

Global share

Objective

To achieve attractive risk-adjusted returns over the medium-to-long term, while reducing the risk of permanent capital loss via investment in global shares. The option aims to deliver 9% p.a. net of fees over the economic cycle. The option also aims to outperform the MSCI World Index over rolling five-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

- Credit risk
- Currency risk
- Emerging markets risk
- Equity risk

Strategy

Magellan 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. Magellan 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

Target	(Range)	
100.0%	(80–100%)	Global shares
0.0%	(0–20%)	Cash

MFS Global Equity

Global share

Objective

To provide capital appreciation over the longer term by investing in a diversified portfolio of global shares (unhedged) and aims to outperform the MSCI World Index over rolling five-year periods, before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

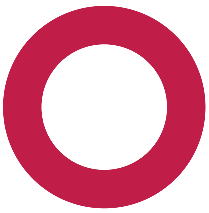
Option-specific risks

- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk

Strategy

MFS' philosophy is based on the belief that companies with durable above-average growth and return prospects, which are not reflected in their valuation, will outperform over the long run. The value of compounding high returns on capital and above-average growth rates over long time periods is often underestimated by the market. Through fundamental analysis, MFS seeks to identify enduring businesses, focusing on operational risks and the long-term potential for change. MFS considers whether the valuation reflects the long-term growth and returns of the company, and to what extent it adequately incorporates risk. This option does not typically hedge currency risk.

Allocation



Target	(Range)	
100.0%	(90–100%)	Global shares
0.0%	(0–10%)	Cash

RQI Global Value

Global share

Objective

To provide capital and income growth by investing in global shares and outperforming the MSCI All Country World (ex Australia) Index, over rolling five-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

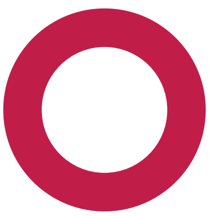
Option-specific risks

- Currency risk
- Emerging markets risk
- Equity risk

Strategy

RQI forms a universe of global companies based on accounting measures, which gives the portfolio a value tilt. In addition, factors such as quality, near-term value, fundamental momentum and market sentiment are applied to form a final portfolio of companies. The resulting portfolio has a value tilt relative to the benchmark and provides the benefits of being lower in cost, lower turnover and highly diversified compared to traditional active investment strategies. By weighting the portfolio based on accounting measures and factors such as quality, fundamental momentum and market sentiment, RQI aims to generate higher returns versus the benchmark over the long term. The option does not hedge currency exposure.

Allocation



Target	(Range)	
100.0%	(95–100%)	Global shares
0.0%	(0–5%)	Cash

RQI Global Value – Hedged

Global share

Objective

To provide capital and income growth by investing in global shares and outperforming the MSCI All Country World (ex Australia) Index, hedged to Australian dollars over rolling five-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

Option-specific risks

- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk

Strategy

RQI forms a universe of global companies based on accounting measures, which gives the portfolio a value tilt. In addition, factors such as quality, near-term value, fundamental momentum and market sentiment are applied to form a final portfolio of companies. The resulting portfolio has a value tilt relative to the benchmark and provides the benefits of being lower in cost, lower turnover and highly diversified compared to traditional active investment strategies. By weighting the portfolio based on accounting measures and factors such as quality, fundamental momentum and market sentiment, RQI aims to generate higher returns versus the benchmark over the long term. The option aims to hedge currency exposure.

Allocation

Target	(Range)	
100.0%	(95–100%)	Global shares
0.0%	(0–5%)	Cash

T. Rowe Price Global Equity

Global share

Objective

To provide long-term capital appreciation by investing primarily in a diversified portfolio of companies that have the potential for above-average and sustainable rates of earnings growth. The option aims to outperform the MSCI All Country World (ex Australia) Index over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

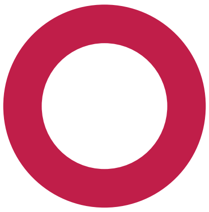
Option-specific risks

- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk

Strategy

T. Rowe Price believes that active management, driven by bottom-up fundamental research, can uncover and exploit anomalies among global equities. The team applies a global, high-conviction, and growth oriented approach, looking for companies with the potential for either growth or relative improvement, located in industries where the outlook is becoming more attractive across developed and emerging markets. The option's benchmark is unhedged. Currency hedging may be used from time to time.

Allocation



Target	(Range)	
100.0%	(90–100%)	Global shares
0.0%	(0–10%)	Cash

Platinum International

Specialist share

Objective

To provide capital growth over the long term through searching out undervalued listed (and unlisted) investments around the world. The option aims to outperform the MSCI All Country World Index over rolling five-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

Low	Medium	High
		7

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Short selling risk
- Term risk
- Valuation risk

Strategy

The option primarily invests in listed securities. The portfolio will ideally consist of 40 to 80 securities that the manager believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. The manager may short sell securities that it considers overvalued and may also use derivatives. The portfolio will typically have 50% or more net equity exposure. The manager may also invest in unlisted securities, but in aggregate such investments will not exceed 20% of the net asset value of the option. Derivatives (options, swaps and futures) may be used for risk management and for opportunities to increase returns; however, the effective exposure of derivative positions (excluding forward foreign exchange contracts and stock borrowing covering short equity positions), stocks and participatory notes will not exceed 150% of the portfolio's net asset value. The manager may also use foreign exchange contracts and derivatives on foreign exchange contracts to take currency positions. The option actively manages currency exposure.

Allocation

Range (0%–100%)	
0–100%	Global shares
0–100%	Cash and fixed interest

Note: The principal investments in the option are global shares. Cash and cash equivalents typically represents less than 40% of the portfolio's net asset value.

This option has been identified as a 'complex' option. More information is provided in the Reference Guide – Complex Funds, available online at cfs.com.au/complex or by calling 13 13 36.

Platinum Asia

Global share – emerging markets

Objective

To provide capital growth over the long term through searching out undervalued listed (and unlisted) investments in the Asian region excluding Japan. The option aims to outperform the MSCI All Country Asia (ex Japan) Index over rolling five-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

Low	Medium	High
		7

Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Short selling risk
- Term risk
- Valuation risk

Strategy

The option primarily invests in the listed securities of Asian companies. Asian companies may be listed on exchanges other than those in Asia, and the option may invest in those securities. The option may invest in companies not listed in Asia where their predominant business is conducted in Asia. The option may invest in companies that benefit from exposure to the Asian economic region.

The portfolio will ideally consist of 30 to 80 securities that the manager believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found.

The manager may short sell securities that it considers overvalued and may also use derivatives. The portfolio will typically have 50% or more net equity exposure. The manager may also invest in unlisted securities, but in aggregate such investments will not exceed 20% of the net asset value of the option. Derivatives (options, swaps and futures) may be used for risk management and for opportunities to increase returns; however, the effective exposure of derivative positions (excluding forward foreign exchange contracts and stock borrowing covering short equity positions), stocks and participatory notes will not exceed 150% of the portfolio's net asset value. The manager may also use foreign exchange contracts and derivatives on foreign exchange contracts to take currency positions. The option actively manages currency exposure.

Allocation

Range (0%–100%)	
0–100%	Asian shares
0–100%	Cash and fixed interest

Note: The principal investments in the option are international equities. Cash and cash equivalents typically represents less than 40% of the portfolio's net asset value.

This option has been identified as a 'complex' option. More information is provided in the Reference Guide – Complex Funds, available online at cfs.com.au/complex or by calling 13 13 36.

RQI Emerging Markets Value

Global share – emerging markets

Objective

To provide capital and income growth by investing in global shares predominantly in emerging markets and outperforming the MSCI Emerging Markets Index over rolling five-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

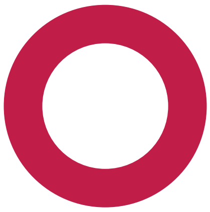
Option-specific risks

- Currency risk
- Emerging markets risk
- Equity risk

Strategy

RQI forms a universe of emerging market companies based on accounting measures, which gives the portfolio a value tilt. In addition, factors such as quality, near-term value, fundamental momentum and market sentiment are applied to form a final portfolio of companies. The resulting portfolio has a value tilt relative to the benchmark and provides the benefits of being lower in cost, lower turnover and highly diversified compared to traditional active investment strategies. By weighting the portfolio based on accounting measures and factors such as quality, fundamental momentum and market sentiment, RQI aims to generate higher returns versus the benchmark over the long term. This option does not hedge currency exposure.

Allocation



Target	(Range)	
100.0%	(95–100%)	Global shares
0.0%	(0–5%)	Cash

Ironbark Property Securities

Australian property and infrastructure securities

Objective

The option seeks to outperform the S&P/ASX 300 A-REIT Accumulation Index, after fees and before taxes, over rolling three-year periods.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

Option-specific risks

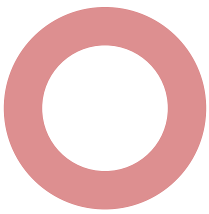
- Currency risk
- Derivatives risk
- Equity risk

Strategy

The option invests predominantly in Australian property trusts and property related securities, with some exposure to cash investments. The option may also invest in international property securities and Initial Public Offering ('IPO') securities, provided those securities are expected to be listed within three months of issue.

The option may have exposure to derivatives for investment and currency management purposes. In particular, derivatives may be used by the Investment Manager for hedging to protect an asset in the option; against market value fluctuations; to reduce volatility in the option; as a substitute for a physical security and when adjusting asset exposures within the investment parameters of the option. The option may invest in other securities, not considered to be property related securities, where most of the earnings are derived from real estate activities. The option may hedge some currency risk.

Allocation



Target	(Range)	
100.0%	(90–100%)	Property securities
0.0%	(0–10%)	Cash

First Sentier Global Property Securities

Global property and infrastructure securities

Objective

To maximise total returns to the investor by investing in a portfolio of listed property securities from around the world. The option aims to outperform the FTSE EPRA/ NAREIT Developed Index, hedged to Australian dollars, over rolling three-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

7

Low Medium High

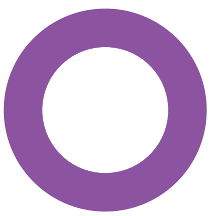
Option-specific risks

- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk

Strategy

The option's strategy is to bring together specialist resources in order to identify undervalued global real estate securities with minimal downside risk, sustainable earnings growth and good qualitative attributes. The option uses proprietary forecasting and valuation methodologies and a disciplined portfolio construction process with an over-riding focus on absolute and relative risk. The option provides investors with exposure to a broad selection of property-related investment opportunities.

Allocation



Target	(Range)	
100.0%	(80–100%)	Global property securities
0.0%	(0–20%)	Cash

Magellan Infrastructure

Global property and infrastructure securities

Objective

To achieve attractive risk-adjusted returns over the medium-to-long term, while reducing the risk of permanent capital loss via investment in global infrastructure. The option aims to outperform the S&P Global Infrastructure Index hedged to Australian dollars over rolling five-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

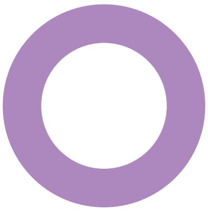
Option-specific risks

- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk

Strategy

The option will invest in companies that generate the dominant part of their earnings from the ownership of infrastructure assets. Magellan endeavours to acquire these companies at discounts to their assessed intrinsic value. Magellan anticipates that the portfolio will comprise 20 to 40 investments. This option aims to hedge currency risk.

Allocation



Target	(Range)	
100%	(80–100%)	Global infrastructure securities
0%	(0–20%)	Cash

CFS Geared Share

Geared

Objective

To magnify long-term returns from capital growth by borrowing to invest in large Australian companies. The option aims to outperform the S&P/ASX 100 Accumulation Index over rolling seven-year periods before fees and taxes.

Minimum suggested timeframe

At least 7 years

Risk

Option-specific risks

- Equity risk
- Gearing risk

Strategy

The option's strategy is based on the belief that, over the medium-to-long term, stock prices are driven by the ability of management to generate excess returns over their cost of capital in their chosen industry. The option generally invests in large, high quality companies with strong balance sheets and earnings. The option utilises gearing to magnify returns from underlying investments. The option predominantly invests in Australian companies and therefore does not hedge currency risk. Where the option borrows in a foreign currency, proceeds will be fully hedged into Australian dollars.

Allocation

Target	(Range)	
100.0%	(90–100%)	Australian shares
0.0%	(0–10%)	Cash

A geared option will not always magnify gains (particularly in a low return environment), but will always magnify losses. Investors will therefore experience increased volatility (potentially large fluctuations up and down) in the value of their investment.

Benchmarks and indices

Composite benchmarks

The objective for some options includes a reference to a composite benchmark. They may be subject to change at any time within the allocation ranges.

Option name	Composite benchmark
CFS Defensive	30.0% Bloomberg AusBond Bank Bill Index, 25.0% Bloomberg AusBond Composite 0+Yr Index, 25.0% Bloomberg Global Aggregate Index (AUD hedged), 10.0% Bloomberg Global Aggregate Corporate Index (AUD hedged), 4.0% MSCI All Country World ex Australia Net Index, 4.0% S&P/ASX 300 Accumulation Index, 2.0% MSCI All Country World ex Australia Net Index (AUD hedged).
CFS Conservative[1]	20.0% Bloomberg AusBond Bank Bill Index, 19.0% Bloomberg AusBond Composite 0+Yr Index, 20.0% Bloomberg Global Aggregate Index (AUD hedged), 2.0% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 2.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 7.0% MSCI All Country World ex Australia Net Index, 2.0% MSCI World Small Cap Index, 2.0% MSCI Emerging Markets Index, 10.0% Bloomberg Global Aggregate Corporate Index (AUD hedged), 2.0% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 7.0% S&P/ASX 300 Accumulation Index, 1.0% S&P/ASX Small Ordinaries Index, 4.0% MSCI All Country World ex Australia Net Index (AUD hedged), 2.0% MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (50th Percentile).
CFS Diversified[1]	12.5% Bloomberg AusBond Bank Bill Index, 13.0% Bloomberg AusBond Composite 0+Yr Index, 14.0% Bloomberg Global Aggregate Index (AUD hedged), 2.5% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 2.5% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 14.0% MSCI All Country World ex Australia Net Index, 2.5% MSCI World Small Cap Index, 3.0% MSCI Emerging Markets Index, 9.0% Bloomberg Global Aggregate Corporate Index (AUD hedged), 2.5% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 13.0% S&P/ASX 300 Accumulation Index, 1.5% S&P/ASX Small Ordinaries Index, 7.5% MSCI All Country World ex Australia Net Index (AUD hedged), 2.5% MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (50th Percentile).
CFS Moderate[1]	9.5% Bloomberg AusBond Bank Bill Index, 10.0% Bloomberg AusBond Composite 0+Yr Index, 11.0% Bloomberg Global Aggregate Index (AUD hedged), 3.0% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 3.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 16.0% MSCI All Country World ex Australia Net Index, 3.0% MSCI World Small Cap Index, 3.5% MSCI Emerging Markets Index, 8.0% Bloomberg Global Aggregate Corporate Index (AUD hedged), 3.0% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 16.0% S&P/ASX 300 Accumulation Index, 2.0% S&P/ASX Small Ordinaries Index, 9.0% MSCI All Country World ex Australia Net Index (AUD hedged), 3.0% MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (50th Percentile).
CFS Balanced[1]	4.5% Bloomberg AusBond Bank Bill Index, 8.0% Bloomberg AusBond Composite 0+Yr Index, 9.0% Bloomberg Global Aggregate Index (AUD hedged), 3.5% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 3.5% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 18.5% MSCI All Country World ex Australia Net Index, 3.5% MSCI World Small Cap Index, 4.0% MSCI Emerging Markets Index, 7.0% Bloomberg Global Aggregate Corporate Index (AUD hedged), 3.5% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 19.0% S&P/ASX 300 Accumulation Index, 2.5% S&P/ASX Small Ordinaries Index, 10.0% MSCI All Country World ex Australia Net Index (AUD hedged), 3.5% MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (50th Percentile).
CFS Growth[1]	1.0% Bloomberg AusBond Bank Bill Index, 5.0% Bloomberg AusBond Composite 0+Yr Index, 6.0% Bloomberg Global Aggregate Index (AUD hedged), 4.0% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 4.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 20.0% MSCI All Country World ex Australia Net Index, 4.0% MSCI World Small Cap Index, 4.5% MSCI Emerging Markets Index, 6.0% Bloomberg Global Aggregate Corporate Index (AUD hedged), 4.0% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 23.5% S&P/ASX 300 Accumulation Index, 3.0% S&P/ASX Small Ordinaries Index, 11.0% MSCI All Country World ex Australia Net Index (AUD hedged), 4.0% MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (50th Percentile).

1 The target asset allocations and corresponding composite benchmarks disclosed reflect the strategic asset allocations that we are progressively implementing as opportunities arise.

Option name	Composite benchmark
CFS High Growth	1.0% Bloomberg AusBond Bank Bill Index, 6.0% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 6.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 28.0% MSCI All Country World ex Australia Net Index, 4.0% MSCI World Small Cap Index, 5.0% MSCI Emerging Markets Index, 32.0% S&P/ASX 300 Accumulation Index, 4.0% S&P/ASX Small Ordinaries Index, 14.0% MSCI All Country World ex Australia Net Index (AUD hedged).
CFS Thrive+ Sustainable Growth[2]	1.0% Bloomberg AusBond Bank Bill Index, 8.0% Bloomberg AusBond Composite 0+Yr Index, 9.0% Bloomberg Global Aggregate Index (AUD hedged), 4.0% MSCI All Country World ex Australia Net Index, 18.0% MSCI All Country World ex Australia Net Index Hedged AUD, 19.0% MSCI World ex Australia Net Index, 5.0% MSCI Emerging Markets Index, 4.0% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 28.0% S&P/ASX 300 Accumulation Index, 4.0% MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (50th Percentile).
CFS Enhanced Index Conservative	20.0% Bloomberg AusBond Bank Bill Index, 20.0% Bloomberg AusBond Composite 0+Yr Index, 20.0% Bloomberg Global Aggregate Index (AUD hedged), 2.0% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 2.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 7.0% MSCI All Country World ex Australia Net Index, 5.0% MSCI All Country World ex Australia Net Index Hedged AUD, 1.0% S&P / ASX Small Ordinaries Accumulation Index, 2.0% MSCI World Small Cap Index, 2.0% MSCI Emerging Markets Index, 10.0% Bloomberg Global Aggregate Corporate Index (AUD hedged), 9.0% S&P/ASX 300 Accumulation Index.
CFS Enhanced Index Diversified	13.0% Bloomberg AusBond Bank Bill Index, 14.0% Bloomberg AusBond Composite 0+Yr Index, 14.0% Bloomberg Global Aggregate Index (AUD hedged), 3.0% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 3.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 13.0% MSCI All Country World ex Australia Net Index, 8.5% MSCI All Country World ex Australia Net Index Hedged AUD, 1.5% S&P / ASX Small Ordinaries Accumulation Index, 2.5% MSCI World Small Cap Index, 3.0% MSCI Emerging Markets Index, 9.0% Bloomberg Global Aggregate Corporate Index (AUD hedged), 15.5% S&P/ASX 300 Accumulation Index.
CFS Enhanced Index Moderate	10.0% Bloomberg AusBond Bank Bill Index, 11.0% Bloomberg AusBond Composite 0+Yr Index, 11.0% Bloomberg Global Aggregate Index (AUD hedged), 4.0% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 4.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 16.0% MSCI All Country World ex Australia Net Index, 9.5% MSCI All Country World ex Australia Net Index Hedged AUD, 2.0% S&P / ASX Small Ordinaries Accumulation Index, 3.0% MSCI World Small Cap Index, 3.5% MSCI Emerging Markets Index, 8.0% Bloomberg Global Aggregate Corporate Index (AUD hedged), 18.0% S&P/ASX 300 Accumulation Index.
CFS Enhanced Index Balanced	5.0% Bloomberg AusBond Bank Bill Index, 9.0% Bloomberg AusBond Composite 0+Yr Index, 9.0% Bloomberg Global Aggregate Index (AUD hedged), 4.5% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 4.5% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 19.0% MSCI All Country World ex Australia Net Index, 11.5% MSCI All Country World ex Australia Net Index Hedged AUD, 2.5% S&P / ASX Small Ordinaries Accumulation Index, 3.5% MSCI World Small Cap Index, 4.0% MSCI Emerging Markets Index, 7.0% Bloomberg Global Aggregate Corporate Index (AUD hedged), 20.5% S&P/ASX 300 Accumulation Index.
CFS Enhanced Index Growth	2.0% Bloomberg AusBond Bank Bill Index, 6.0% Bloomberg AusBond Composite 0+Yr Index, 6.0% Bloomberg Global Aggregate Index (AUD hedged), 5.0% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 5.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 21.0% MSCI All Country World ex Australia Net Index, 13.0% MSCI All Country World ex Australia Net Index Hedged AUD, 3.0% S&P / ASX Small Ordinaries Accumulation Index, 4.0% MSCI World Small Cap Index, 4.5% MSCI Emerging Markets Index, 6.0% Bloomberg Global Aggregate Corporate Index (AUD hedged), 24.5% S&P/ASX 300 Accumulation Index.
CFS Enhanced Index High Growth	1.0% Bloomberg AusBond Bank Bill Index, 6.0% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 6.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 26.5% MSCI All Country World ex Australia Net Index, 15.5% MSCI All Country World ex Australia Net Index Hedged AUD, 3.0% S&P / ASX Small Ordinaries Accumulation Index, 4.0% MSCI World Small Cap Index, 5.0% MSCI Emerging Markets Index, 33.0% S&P/ASX 300 Accumulation Index.
CFS Index Growth	2.0% Bloomberg AusBond Bank Bill Index, 9.0% Bloomberg AusBond Composite 0+Yr Index, 9.0% Bloomberg Global Aggregate Index (AUD hedged), 5.0% FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR (AUD hedged), 5.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 24.0% MSCI All Country World ex Australia Net Index, 16.0% MSCI All Country World ex Australia Net Index Hedged AUD, 30.0% S&P/ASX 300 Accumulation Index.

2 The target asset allocations and corresponding composite benchmarks disclosed reflect the strategic asset allocations that we are progressively implementing as opportunities arise.

Unless otherwise stated, indices referred to in the PDS are calculated on the basis that: dividends are reinvested; foreign dividends are reinvested net of withholding tax; the calculation is in Australian dollar terms; and the index is unhedged to movements in the Australian dollar.

Information about indices

MSCI Inc.

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