Russell Investments

22 March 2024

Investment Guide

iQ Super – Employer by Russell Investments

iQ Super – Business by Russell Investments

iQ Super – For Life by Russell Investments

iQ Super – Employer by Russell Investments (closed categories, including defined benefit)

JUMP TO

1. Risks of super 2
2. How we invest your money 4
3. How the investment options invest 6
4. Additional explanation of fees and costs 22
5. Labour standards, environmental, social and ethical considerations 30

The information in this document forms part of the Product Disclosure Statement (PDS) for iQ Super – Employer; iQ Super – Business and iQ Super – For Life, which are dated 1 October 2023. This document provides additional general information for members in a Closed Category or Division in addition to the Super Facts Member Booklet. This document is produced by Total Risk Management Pty Limited (Trustee), ABN 62 008 644 353, AFSL 238790 as the Trustee of the Russell Investments Master Trust (Fund, Plan or iQ Super), ABN 89 384 753 567. This document provides general information only and has not been prepared having regard to your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation and needs. If you'd like personal advice, we can refer you to the appropriate person. The information in the PDS is correct at the time of publication of each document comprising the PDS. However, the information may change from time to time and if there is a material change to any of the information in any document, the Trustee will issue an updated document. However, if the change is not materially adverse to members, the Trustee may instead provide the updated information to members via the website russellinvestments.com.au/trusteerequireddisclosure. A paper copy of this information will be sent to any member, free of charge on request, by calling 1800 555 667. For more information visit russellinvestments.com.au/super.

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1. Risks of super

The following additional information should be read in conjunction with section 4 of the Product Disclosure Statement (PDS).

For members in a Closed Category or Division, the following information is in addition to the Super Facts you received when you joined the Fund.

All investing involves risk. It's the trade-off for the return that investors seek. Assets with higher expected long-term returns generally carry a higher level of short-term risk. For example, shares and commodities have relatively higher risk and higher expected return than fixed interest and cash.

As with most investing, it is not guaranteed that you will make money. The value of your investment can go up or down with the value of investments of the options you are invested in.

Short-term fluctuations in the value of investments are common, particularly with respect to shares and commodities. Different types of investments perform differently at different times and carry varying forms of risks, which is why we recommend a diversified investment mix.

The relative risk of each option depends on its asset allocation. The risk/return graph below indicates the relative position of each major asset class.

Position on risk/return spectrum

Source: Russell Investment Management Ltd.

Risks may result in a loss. You could receive back less than you invested and there is no guarantee that you will receive any positive investment returns. Also remember that past returns are not a reliable indicator of future returns.

Option Risk Levels

Each option has a risk level attributed to it based on the amount of time the investor remains invested in the option.

- **Short-term risk** is the risk that an investor's superannuation or pension savings will be reduced by the annual volatility of investment markets. This is consistent with how often the Option can expect a negative annual return in a 20-year period.
- **Long-term risk** is the risk that an investor's superannuation savings will not significantly outperform inflation over the investor's superannuation accumulation lifetime.

Standard Risk Measure

We also use the Standard Risk Measure to describe the risk that applies to each of our options. The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

A risk band and risk label, as outlined in the table below, is assigned to each option based on the estimated number of years of negative returns over any 20 year period is assigned to each option.

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

The risk level and the Standard Risk Measure are not a complete assessment of all forms of investment risk, for instance they do not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, they do not take into account the impact of administration fees and tax on the likelihood of a negative return. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).

Other risks to consider

There is a risk that your final superannuation benefit may not be enough to meet your retirement needs.

Investors should be aware that the following risks exist for some or all of the options in addition to those noted in the PDS:

- **Interest rate risk**: the options may be exposed to underlying funds that are sensitive to movements in domestic and international interest rates. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease.
- **Liquidity risk**: the options may be exposed to assets that have restricted or limited liquidity. This may result in delays in processing withdrawal requests due to general market interruptions or inadequate market depth.
- **Counterparty and settlement risk**: the options may be exposed to counterparty and settlement risk. These risks are influenced by, amongst other things, market practices (e.g. settlement and custody practices) and the creditworthiness of the parties the options are exposed to including derivative counterparties, and the level of government regulation in countries in which the options invest.
- **Derivatives risk**: some options may be exposed to underlying funds that use derivatives. There are significant risks associated with derivatives as they can be highly volatile and can serve to exaggerate both losses and gains.
- **Credit risk**: the options may be exposed to credit risk. Credit risk refers to the issuer of a debt instrument, banks holding cash deposits or the counterparty to a derivatives contract failing to meet an obligation to pay periodic interest, to repay the principal sum at maturity or to otherwise honour its obligations.
- **Currency risk**: the options may be exposed to underlying funds that hold foreign assets. Changes in exchange rates of currencies may affect the investment returns of these underlying funds. For the options that are identified as $A hedged, although the aim is to be 100% currency hedged, some foreign currency exposures can remain which may affect the investment values of these options.
- **Emerging markets risk**: the options may invest in underlying funds that are exposed to emerging market securities that may be subject to higher levels of market volatility leading to higher general investment risk. Interest rate and currency risks may be greater due to higher levels of volatility in the economies of emerging markets. Furthermore, emerging market securities are often less liquid than the securities of developed markets. Counterparty and settlement risks are also increased.
- **Performance fee risk**: the performance fees charged by some underlying funds/managers are based on realised and unrealised gains. Therefore, a performance fee may be paid on unrealised gains that may never subsequently be realised. In addition, performance fees provide an incentive to make investments that carry more risk than those made in the absence of a performance fee.
- **Short selling risk**: the options may be exposed to underlying funds that engage in short selling. This is where an asset is sold that the investor does not actually own, with the aim of gains being made if the asset's price falls, and can be bought back later at a lower price. Short selling involves a higher level of risk than normal investment in shares. This is because when a fund invests in shares the maximum loss is generally limited to the amount invested. With short positions, there is theoretically no limit on the loss because the loss will continue to increase as the price of the share increases.
- **Leverage or borrowing risk**: some options may be exposed to underlying funds that use leverage or borrowing strategies that can magnify both gains and losses on investment returns. Money borrowed will be subject to interest and other costs, which may or may not exceed the income received from the instruments purchased with borrowed funds. Leverage creates an opportunity for greater returns, but at the same time, may significantly increase the risk of your investment in the option.
- **Securities lending risk**: the options may invest in underlying funds that engage 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 underlying funds could experience delays in recovering assets and may incur a capital loss.
- **Operational risk:** the Fund is exposed to operating risk. This is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events, such as third-party failures or crisis events. Russell Investments has processes in placed designed to manage these risks. Even then, errors may occur on occasion and if they do we will rectify them. If you identify an error, let us know and we will rectify it.
- **ESG risk:** There is the risk of loss resulting from ESG considerations, including from limiting the Fund's universe of potential investments.

Managing risks

When assessing which options to invest in, we recommend you pay particular attention to the investment return objective, suitability, minimum investment timeframe, investment strategy and risk level sections provided for each option.

2. How we invest your money

The following information is incorporated into section 5 of the PDS:

For members in a Closed Category, the following information is in addition to the Super Facts you received when you joined the Fund.

For Defined Benefit members, the investment rules, such as whether you have member investment choice, depend on the type of Plan you are in. Please refer to your Super Facts to find out more information.

Default investment option

Where you have member investment choice and do not make an investment election, your account will be invested in the default GoalTracker® investment option. Your default option is outlined below:

Fund	Default investment option
iQ Super – Employer	GoalTracker
iQ Super – Business	GoalTracker
iQ Super – For Life	GoalTracker

We offer 20 investment options. Members can invest in up to 19 investment options or in the GoalTracker investment option.

For defined benefit members with investment choice balances, members can invest in up to 19 investments and the default investment option is Balanced Growth. The GoalTracker investment option is not available while a defined benefit member.

The Trustee has appointed Russell Investments Management Limited (Russell Investments) as the investment manager for the Russell Investments Master Trust. The majority of the underlying assets of each of the options are invested in Russell Investments unit trusts. Russell Investments appoints and manages the investment managers[1] who manage the assets of the Russell Investments unit trusts.

Choosing your investments

If you would like to choose how your account balance is invested, you can:

MySuper investment option

The default MySuper option is the GoalTracker investment option. The GoalTracker investment option automatically invests your super based on your age, through a diversified portfolio invested across a range of asset classes. When you're younger, your investment strategy will have a higher allocation to growth assets to help grow your super balance. To help protect your savings as you approach retirement, your allocation to defensive assets will increase. By telling us more, you can then opt for GoalTracker Plus to create and manage a tailored investment strategy just for you.

Select a single diversified investment option

The Diversified investment options are designed by the Fund to make it easy for you – they combine a mix of complementary asset classes, management styles and investment managers, and dynamically manage them, on your behalf. Just choose the diversified option which matches your target risk profile and we will take care of the rest.

Select from our full range of investment options

You can also create your own mix of investments from the full investment menu, using a weighted mix of Diversified, Outcome-oriented, Sector, Responsible, and Third-party investment options. This may suit you if you would like to create your own investment strategy. It is important to review your selection regularly (perhaps, when you receive your annual statement) to see whether it remains suitable for your needs. If you decide to change, simply switch to the option or mix of options that most closely match your needs at that time.

Current Russell Investments managers and their styles

Russell Investments is the investment manager for the Russell Investments Master Trust. Russell Investments doesn't simply manage money – it designs, constructs and manages investment solutions to achieve specific required investment outcomes. This means no matter what assets or style is in favour at any given time, the way in which complementary managers and strategies are utilised can potentially help to provide more consistent returns. In order to manage an option to its investment objectives, Russell Investments retains the discretion to change the investment managers at any time without notice. For information on each of the Fund's investment options asset classes, performance, underlying investments and the investment managers of those investments, please refer to **russellinvestments.com/au/support/investing/performance**.

1 In order to manage an option to its investment return objective, Russell Investments retains the discretion to change the investment managers at any time without notice. Please check **russellinvestments.com/au/support/investing/performance** for the latest list of managers applicable to each of the Fund's investment options.

WARNING:

You must consider the likely investment return, the risk and your investment timeframe when choosing the option(s) into which you wish to invest.

Help to make a choice

To help you determine which investment option suits you - visit **russellinvestments.com.au/super** for more information about investing and the latest returns for each of the options. Alternatively, we can give you personalised advice about choosing an investment through Russell Investments Super Advice Service. The service is covered by your member fee so there is no charge for the advice.

Things to consider when choosing an investment strategy

When selecting multiple investment options, you can ask us to invest a set percentage of your money into each (e.g. four investment options with 25% of your money in each). Any further contributions to your account will be split in the same way, unless you request otherwise. In making investment decisions, you should consider whether your overall investment is adequately diversified across the different asset classes. Depending on your personal circumstances, including investments that you hold outside of the Fund, it may not be appropriate to invest all of your super in one particular investment option.

Switching between investment options

You can switch between investment options at any time. Switches in the diversified options are generally free of charge[2] however, buy sell spreads apply to some of the other options. We also give you the flexibility to choose a different option or mix of options for your future contributions versus the balance you have already accumulated. Any deductions from your account will come from the option(s) you have selected for future contributions. It is important to note that if you are invested in the GoalTracker investment option you can not invest in multiple options. This means all of your future transactions (i.e. contributions, rollovers and deductions) and your account balance will be invested in the GoalTracker investment option[3]. You can request a switch via our website or by completing the Investment Choice Form. Your new investment choice will generally take effect two business days after we receive the request. This means the unit prices will reflect the investment returns on the day of your request, and transactions will be processed and units allocated to your account on the same day. If a switch is submitted by 4pm, it will be processed within two business days. If it is submitted on or after 4pm but before midnight, that switch will be processed on the third business day. It is important to note that the cut off time of 4pm also applies to cancelling a switch. If you wish to cancel a switch that you have submitted since the previous day's cut off time, you must do so before 4pm.

Staying on track with automatic rebalancing

Different investment options can perform differently in varying market environments. This fluctuation can lead to over-weighting or under-weighting of the various asset classes that you hold. More importantly, a shift in proportion can alter your originally intended allocations and change your level of risk exposure. To prevent your investments from becoming out of balance, we provide an automatic rebalancing service. If you choose to use the rebalancing service, we will regularly re-set your investments to your originally intended selections (using the previous example in "Things to consider when choosing an investment strategy", we would re-set to 25% in each of your four chosen investment options). We rebalance your account on the 15th of each month. You may not select rebalancing if you have chosen different strategies for your current balance and your future contributions or you are invested in the GoalTracker option.

2 If you make more than five switches in a financial year, buy-sell spreads will start to apply to the Diversified options. Refer to 'Buy-sell spreads' in the *Additional explanation of fees and costs* section of this document for further information.

3 There are limited circumstances where a member may hold a balance in another investment option, such as ex-Defined Benefit members, who may also have an amount in the Australian Cash option.

3. How the investment options invest

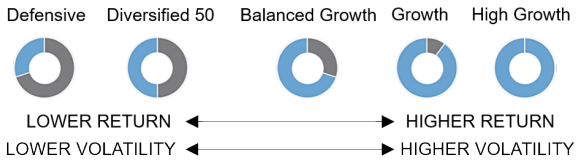
GoalTracker Investment Option (MySuper)

Not available for defined benefit members.

When you join, you'll be invested in the GoalTracker (MySuper) investment option unless you make an investment choice. The GoalTracker investment option automatically invests your super based on your age, through a diversified portfolio invested across a range of asset classes. When you're younger, your investment strategy will have a higher allocation to growth assets to help grow your super balance. To help protect your savings as you approach retirement, your allocation to defensive assets will increase. Refer to the table below. By telling us more, you can then opt for GoalTracker Plus to create and manage a tailored investment strategy for you.

The GoalTracker investment option is not available for defined benefit members until you cease employment. As a defined benefit member you have 19 investment choices to select an appropriate investment strategy. While you are a defined benefit member, the default investment option for any of your accounts with member investment choice balances is Balanced Growth.

Diversified options



Each diversified option has a different split between growth and defensive asset types, according to its risk/return profile. Each option is spread across a wide range of asset classes, in varying allocations between defensive and growth type investments. This ensures that they remain true to their risk/return profile regardless of market conditions.

Diversified investment options (x5)
• Defensive • Diversified 50 • Balanced Growth • Growth • High Growth

Sector options

Each sector option is actively managed to provide exposure to a single asset class, such as shares, bonds, property, infrastructure and cash. More specific options are available, including Australian and Global variants of some asset classes for more discrete exposures. Some global options offer $A Hedging to minimise the impact of currency fluctuations on performance.

Sector investment options (x9)	
Australian	**Global**
• Australian Cash • Australian Floating Rate • Australian Fixed Income • Australian Shares	• Global Fixed Income - $A Hedged • Listed International Property Securities - $A Hedged • Global Shares • Global Shares - $A Hedged • Emerging Markets

Responsible options

These investment options are focused on investment opportunities with low carbon impact, and/or environmental, social and governance (ESG) characteristics. There are both Australian and Global responsible options available. For detailed information on ESG considerations, please refer to the *ESG considerations se*ction of this document.

Responsible investment options (x2)
• Low Carbon Australian Shares • Low Carbon Global Shares

Third-party options

These options are managed to provide passive investment exposure to a benchmark index. These options are not actively managed, and aim to track the return of their reference index. There are Australian Shares, Global Shares and Global Shares $A Hedged variants available.

Third-party investment options (x3)
• Third-party Indexed Australian Shares • Third-party Indexed Global Shares • Third-party Indexed Global Shares - $A Hedged

Cash at bank

In order to facilitate benefit payments and the payment of expenses, a small proportion of the assets of each investment option is held in the Fund's bank account at any given point in time.

Changes to underlying investments

We may change the underlying investments from time to time, without notice, to make sure we meet the objectives of investment options.

Reading the investment disclosure

The example below describes how to understand the following MySuper, Diversified, Sector, Responsible, and Third-party investment options.

Balanced Growth

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 and 10 year periods.

Suitability: Suitable for members, who are seeking to build wealth over the medium to long term and are willing to accept the possibility of negative returns over the shorter term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 5 years before it meets its objectives.

Investment strategy^: The option is typically exposed to a diversified option mix of around 70% growth investments and around 30% defensive investments~. The option may be exposed to derivatives.

Investment fees and costs: 0.78% p.a. comprised of:

Investment fee: 0.55% p.a.

Estimated indirect investment costs: 0.23% p.a.

Transaction Costs: 0.17% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
High	**Low**

Estimated number of negative annual returns over any 20 year period: Approx 4 to 5

Risk label: High

Risk band: 6

Asset allocation ranges#:	**SAA %**	**Range %**
Australian Equities	26.5	15 - 60
International Equities	34.5	15 - 60
Property	11.0	0 - 25
Fixed Income	13.5	0 - 45
Cash	9.0	0 - 25
Infrastructure	5.5	0 - 25
Commodities	0	0 - 10
Other Alternatives	0	0 - 25

Option Name:
Name of the investment option.

Investment Return Objective:
The option's overall investment objective, including timeframes.

Suitability:
A profile of the member that the particular option best suits.

Minimum investment timeframe:
The minimum timeframe we have suggested is based on the investment objective and level of risk of the option. The minimum investment timeframes should not be considered personal advice. Before making an investment decision, you need to consider your objectives, financial situation and needs.

Investment Strategy:
Outlines the overall strategy of the option, as well as how money is invested within the option.

Investment fees and costs:
The Investment fee represents the fees and costs for the care and expertise related to the investment of the assets of the option. The estimated investment costs of an option includes all known and estimated indirect costs, expense recoveries and performance fees incurred by the Fund or the underlying funds/managers. The amount shown has been calculated to 30 June 2023.

Transaction Costs:
The Transaction costs shown are the net costs incurred when buying and selling assets within each of the investment options. The amount shown has been calculated to 30 June 2023.

Standard Risk Measure:
We have adopted the Standard Risk Measure (SRM), which is based on industry guidance, to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

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

Asset allocation ranges:
Asset allocations vary at different points in time. The asset allocation ranges reflect the minimum and maximum amount that can be held at any point in time in each asset class within the investment option.

For more information about asset allocation ranges visit russellinvestments.com.au/saa

MySuper Investment option - GoalTracker

GoalTracker Investment Option	AGE BELOW 40	41 - 50	51 - 55	56 - 60	60+
Investment return objective[1]: % above inflation p.a.	4.3%	4.3%	3.8% to 4.2%	3.3% to 3.7%	3.3%
Standard risk measure[2]: Estimated number of negative annual returns over any 20-year period	6 (High) 5 - 6	6 (High) 5 - 6	6 (High) 5 - 6	6 (High) 4 - 5	6 (High) 4 - 5
Suitable for Investors seeking to build wealth over this term. Investors willing to accept the possibility of negative returns over this term.	**Long-term**			**Medium to Long-term**[3]	
	Short to medium			**Shorter-term**[3]	
Minimum investment timeframe (years):	7	7	6 - 7	5 - 6	5
Investment strategy[4^]**:**	The option is typically exposed to a diversified mix between growth and defensive investments as shown below (the option may be exposed to derivatives)[7]:				
Growth investments:	95	95	82.5 - 92.5[5]	70 - 80[6]	70
Defensive investments:	5	5	7.5 -17.5	20 - 30	30
Investment Fees & Costs: 0.65% p.a. comprised of:	Investment Fee: 0.45% p.a. and Estimated Indirect Costs: 0.20% p.a.				
Transactions Costs:	0.10% p.a.				
Strategic Asset Allocation[7]	**SAA %**	**SAA %**	**SAA %**	**SAA %**	**SAA %**
Australian Equities	42.0	42.0	35.0 - 41.0	28.0 - 34.0	28.0
International Equities	48.0	48.0	41.0 - 46.0	34.0 - 39.0	34.0
Property	4.0	4.0	4.0 - 5.0	5.0 - 6.0	6.0
Fixed Income	1.0	1.0	2.0 - 8.0	10.0 - 15.0	15.0
Cash	3.0	3.0	4.0 - 8.0	9.0 - 13.0	13.0
Infrastructure	3.0	3.0	3.0	3.0	3.0
Commodities	0	0	0	0	0
Other Alternatives	0	0	0	0	0
Asset Allocation range[8]	**Range %**	**Range %**	**Range %**	**Range %**	**Range %**
Australian Equities	20 - 80	20 - 80	20 - 80	20 - 70	10 - 60
International Equities	20 - 80	20 - 80	20 - 80	20 - 70	10 - 60
Property	0 - 20	0 - 20	0 - 20	0 - 20	0 - 20
Fixed Income	0 - 30	0 - 30	0 - 30	10 - 40	10 - 40
Cash	0 - 20	0 - 20	0 - 20	0 - 30	0 - 30
Infrastructure	0 - 20	0 - 20	0 - 20	0 - 20	0 - 20
Commodities	0 - 10	0 - 10	0 - 10	0 - 10	0 - 10
Other Alternatives	0 - 20	0 - 20	0 - 20	0 - 20	0 - 20

1. The objective is to earn a return, after costs and tax, which exceeds CPI by the % p.a. shown, measured over rolling 5 and 10 year periods. CPI stands for Consumer Price Index, which is used as a measure of inflation.
2. Refer to this Guide for more information, including the risk levels for each investment option.
3. Medium to Long-term suitability and possibility of negative returns changes at age 58.
4. Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.
   ^ This option may invest in underlying funds that take ESG considerations into account as part of their investment strategy. For detailed information on ESG considerations and the investment exclusions employed, please refer to the *ESG considerations* section of this document.
5. Growth assets decrease by 2.5% each year from 92.5% at age 51 to 82.5% at age 55. Defensive assets increase by 2.5% each year from 7.5% at age 51 to 17.5% at age 55.
6. Growth assets decrease by 2.5% each year from 80% at age 56 to 70% at age 60. Defensive assets increase by 2.5% each year from 20% at age 56 to 30% at age 60.
7. SAAs may not total 100% due to rounding.
8. The actual asset allocation may temporarily fall outside ranges stated in certain circumstances, such as asset transitions or extreme market movements.

We offer 20 investment options, across a number of categories including MySuper, diversified and sector options as listed below. Members can invest in GoalTracker or in up to 19 of the remaining options.

CATEGORY	MYSUPER	DIVERSIFIED	THIRD PARTY	SECTOR	RESPONSIBLE
Investment option	• GoalTracker	• Defensive • Diversified 50 • Balanced Growth • Growth • High Growth	• Third-party Indexed Australian Shares • Third-party Indexed Global Shares • Third-party Indexed Global Shares $A Hedged	• Australian Cash • Australian Floating Rate • Australian Fixed Income • Australian Shares • Global Fixed Income - $A Hedged • Listed International Property Securities - $A Hedged • Global Shares • Global Shares - $A Hedged • Emerging Markets	• Low Carbon Australian Shares • Low Carbon Global Shares

Diversified investment options

Defensive

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 2.0% per annum, measured over rolling 5 year periods.

Suitability: Suitable for members who do not have a long investment horizon and whose most important consideration is having a low chance of a negative return over this horizon.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 3 years before it meets its objectives.

Investment strategy^: The option is typically exposed to a diversified option mix of around 30% growth investments and around 70% defensive investments~. The option may be exposed to derivatives.

Investment fees and costs: 0.56% p.a. comprised of :

Investment fee: 0.39% p.a.

Estimated indirect investment costs: 0.17% p.a.

Transaction Costs: 0.14% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Medium	**Medium to High**

Estimated number of negative annual returns over any 20 year period: Approx 2 to 3

Risk label: Medium

Risk band: 4

Asset allocation ranges#:	SAA %	Range %
Australian Equities	10.0	0 - 40
International Equities	16.0	0 - 40
Property	10.0	0 - 20
Fixed Income	34.5	20 - 65
Cash	26.0	0 - 45
Infrastructure	3.5	0 - 20
Commodities	0	0 - 10
Other Alternatives	0	0 - 15

Diversified 50

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 3.0% per annum, measured over rolling 5 year periods.

Suitability: Suitable for investors who are seeking some capital growth over the medium term and are willing to accept the possibility of negative returns over the shorter term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 4 years before it meets its objectives.

Investment strategy^: The option is typically exposed to a diversified option mix of around 50% growth investments and around 50% defensive investments~. The option may be exposed to derivatives.

Investment fees and costs: 0.60% p.a. comprised of:

Investment fee: 0.44% p.a.

Estimated indirect investment costs: 0.16% p.a.

Transaction Costs: 0.18% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Medium to High	**Medium**

Estimated number of negative annual returns over any 20 year period: Approx 3 to 4

Risk label: Medium to High

Risk band: 5

Asset allocation ranges#:	SAA %	Range %
Australian Equities	18.5	10 - 50
International Equities	25.0	10 - 50
Property	12.0	0 - 20
Fixed Income	25.5	10 - 50
Cash	15.0	0 - 30
Infrastructure	4.0	0 - 20
Commodities	0	0 -10
Other Alternatives	0	0 - 20

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

^ This option may invest in underlying funds that take ESG considerations into account as part of their investment strategy. For detailed information on ESG considerations and the investment exclusions employed, please refer to the *ESG considerations* section of this document.

~ Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

\# The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements. The SAAs may not total to 100% due to rounding.

Balanced Growth

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 and 10 year periods.

Suitability: Suitable for members, who are seeking to build wealth over the medium to long term and are willing to accept the possibility of negative returns over the shorter term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 5 years before it meets its objectives.

Investment strategy^: The option is typically exposed to a diversified option mix of around 70% growth investments and around 30% defensive investments~. The option may be exposed to derivatives.

Investment fees and costs: 0.78% p.a. comprised of:

Investment fee: 0.55% p.a.

Estimated indirect investment costs: 0.23% p.a.

Transaction Costs: 0.17% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
High	Low

Estimated number of negative annual returns over any 20 year period: Approx 4 to 5

Risk label: High

Risk band: 6

Asset allocation ranges#:	SAA %	Range %
Australian Equities	26.5	15 - 60
International Equities	34.5	15 - 60
Property	11.0	0 - 25
Fixed Income	13.5	0 - 45
Cash	9.0	0 - 25
Infrastructure	5.5	0 - 25
Commodities	0	0 - 10
Other Alternatives	0	0 - 25

Growth

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 4.0% per annum, measured over rolling 5 year periods.

Suitability: Suitable for members who are seeking to build wealth over the long term and are willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 6 years before it meets its objectives.

Investment strategy^: The option is typically exposed to a diversified option mix of around 90% growth investments and around 10% defensive investments~. The option may be exposed to derivatives.

Investment fees and costs: 0.72% p.a. comprised of:

Investment fee: 0.54% p.a.

Estimated indirect investment costs: 0.18% p.a.

Transaction Costs: 0.14% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
High	Low

Estimated number of negative annual returns over any 20 year period: Approx 5

Risk label: High

Risk band: 6

Asset allocation ranges#:	SAA %	Range %
Australian Equities	33.0	20 - 75
International Equities	41.5	20 - 75
Property	12.5	0 - 25
Fixed Income	4.0	0 - 30
Cash	4.5	0 - 20
Infrastructure	4.5	0 - 25
Commodities	0	0 - 10
Other Alternatives	0	0 - 25

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

^ This option may invest in underlying funds that take ESG considerations into account as part of their investment strategy. For detailed information on ESG considerations and the investment exclusions employed, please refer to the *ESG considerations* section of this document.

~ Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

\# The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements. The SAAs may not total to 100% due to rounding.

High Growth

Investment return objective: To earn a return after costs and tax, exceeding CPI* by 4.5% per annum, measured over rolling 5 year periods.

Suitability: Suitable for members who are seeking to build wealth over the long term and are willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Investment strategy^: The option is typically fully exposed to a diversified option of growth investments~. The option may be exposed to derivatives.

Investment fees and costs: 0.69% p.a. comprised of :

Investment fee: 0.50% p.a.

Estimated indirect investment costs: 0.19% p.a.

Transaction Costs: 0.10% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
High	**Low**

Estimated number of negative annual returns over any 20 year period: Approx 5 to 6

Risk label: High

Risk band: 6

Asset allocation ranges#:	**SAA %**	**Range %**
Australian Equities	43.0	25 - 85
International Equities	48.5	25 - 85
Property	3.5	0 - 25
Fixed Income	0	0 - 15
Cash	2.5	0 - 15
Infrastructure	2.5	0 - 25
Commodities	0	0 - 10
Other Alternatives	0	0 - 25

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

^ This option may invest in underlying funds that take ESG considerations into account as part of their investment strategy. For detailed information on ESG considerations and the investment exclusions employed, please refer to the *ESG considerations* section of this document.

~ Please refer to the asset allocation ranges for details of the parameters surrounding the investment strategy.

\# The actual asset allocation may temporarily fall outside the ranges stated above in certain circumstances, such as asset transitions or extreme market movements. The SAAs may not total to 100% due to rounding.

Sector investment options

Australian Cash

Investment return objective: Earn a return in line with the Reserve Bank cash rate target, before tax and after costs, over rolling 1 year periods. Earn a return broadly in line with inflation over the long-term, before tax and after costs.

Suitability: Suitable for investors seeking cash-like returns who have a short investment horizon.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 0 to 1 year before it meets its objectives.

Benchmark: Bloomberg AusBond Bank Bill Index

Investment strategy: The option is predominantly exposed to assets such as bank deposits, money market instruments (including but not limited to bank bills and certificates of deposit).

Investment fees and costs: 0.09% p.a. comprised of:

Investment fee: 0.05% p.a.

Estimated indirect investment costs: 0.04% p.a.

Transaction Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very Low	**Very High**

Estimated number of negative annual returns over any 20 year period: Approx less than 0.5

Risk label: Very Low

Risk band: 1

Australian Floating Rate

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking capital stability, low variability of returns and who have a short investment horizon.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 1 year before it meets its objectives.

Benchmark: Bloomberg AusBond Bank Bill Index

Investment strategy: The option is predominantly exposed to assets such as bank deposits, money market instruments (including but not limited to bank bills and certificates of deposit), corporate floating rate notes and asset backed and mortgage backed securities. The option may also be exposed to fixed rate corporate debt, derivatives and non-Australian dollar denominated cash and cash equivalent securities. The option may invest 10% to 40% in cash and 60% to 90% in corporate floating rate notes, asset backed and mortgage backed securities. Underlying foreign currency exposures will be largely hedged back to Australian dollars.

Investment fees and costs: 0.16% p.a. comprised of:

Investment fee: 0.12% p.a.

Estimated indirect investment costs: 0.04% p.a.

Transaction Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very Low	**Very High**

Estimated number of negative annual returns over any 20 year period: Approx less than 0.5

Risk label: Very Low

Risk band: 1

Australian Fixed Income

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking bond-like returns who do not have a long investment horizon and wish to limit the chance of negative returns over this horizon.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 3 years before it meets its objectives.

Benchmark: Bloomberg AusBond Composite 0+ Yr Index

Investment strategy^: The option invests predominantly in Australian issued government, quasi-government and corporate debt securities. In addition, the option may invest in debt securities issued by supranationals and non-Australian governments, agencies and corporates, and structured credit securities (including mortgage and asset backed securities). The option may also invest in low grade, unrated or emerging markets debt securities, exchange traded funds, and currency, to a limited extent. The option also employs certain investment exclusions. Derivatives may be used by the underlying fund to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risks.

Investment fees and costs: 0.24% p.a. comprised of :

Investment fee: 0.18% p.a.

Estimated indirect investment costs: 0.06% p.a.

Transaction Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Low to Medium	**High**

Estimated number of negative annual returns over any 20 year period: Approx 1 to 2

Risk label: Low to Medium

Risk band: 3

Global Fixed Income - $A Hedged

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for members seeking overseas bond-like returns who do not have a long investment horizon and wish to limit currency risks and the chance of negative returns over this horizon.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 3 years before it meets its objectives.

Benchmark: Bloomberg Global Aggregate Index ($A Hedged).

Investment strategy#: The option invests predominantly in debt securities issued by supranationals, international governments, quasi-governments, agencies and corporates, and structured credit securities (including mortgage and asset backed securities). The option may also invest in low grade, unrated or emerging markets debt securities, and currency to a limited extent. The option also employs certain investment exclusions. The underlying fund also targets a reduction in Carbon Footprint compared to the Benchmark, in respect of the Corporate Debt portion of the debt securities it holds. Derivatives may be used by the underlying fund to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risks. Foreign currency exposures are largely hedged back to Australian dollars, apart from those foreign currency exposures that are used to generate excess returns from active currency management.

Investment fees and costs: 0.35% p.a. comprised of :

Investment fee: 0.27% p.a.

Estimated indirect investment costs: 0.08% p.a.

Transaction Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Medium	**High**

Estimated number of negative annual returns over any 20 year period: Approx 2 to 3

Risk label: Medium

Risk band: 4

^ This option may invest in underlying funds that take ESG considerations into account as part of their investment strategy. For detailed information on ESG considerations and the investment exclusions employed, please refer to the *ESG considerations* section of this document.

Please refer to the *ESG considerations* section of this document for further information on how the underlying fund seeks to achieve a reduction in Carbon Footprint and the investment exclusions employed.

Australian Shares

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking share-like returns who have a long investment horizon. Investors must be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: S&P/ASX 300 Accumulation Index

Investment strategy: The option is predominantly exposed to shares and unit trusts listed or about to be listed on the Australian Securities Exchange. The option may also be exposed to derivatives. Derivatives may be used by the underlying fund to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.

Investment fees and costs: 0.64% p.a. comprised of :

Investment fee: 0.58% p.a.

Estimated indirect investment costs: 0.06% p.a.

Transaction Costs: 0.03% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	**Low**

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

Risk label: Very High

Risk band: 7

Listed International Property Securities - $A Hedged

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking property-like returns who have a long investment horizon. Investors must be willing to accept the possibility of negative returns over the shorter term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: FTSE EPRA/NAREIT Developed Index Net TRI - $A Hedged

Investment strategy: The option is predominantly exposed to property trusts and property related securities listed on stock exchanges in developed international markets. The option may also be exposed to securities which have exposure to properties in emerging markets. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Investment fees and costs: 0.80% p.a. comprised of :

Investment fee: 0.63% p.a.

Estimated indirect investment costs: 0.17% p.a.

Transaction Costs: 0.07% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	**Low**

Estimated number of negative annual returns over any 20 year period: Approx 7

Risk label: Very High

Risk band: 7

Global Shares

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking overseas share-like returns who have a long investment horizon and willing to accept some currency and emerging markets risks. Investors must also be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI ACWI Index – Net

Investment strategy^: The option is predominantly exposed to a broad range of international shares listed on stock exchanges in developed and emerging international markets. The underlying fund employs certain investment exclusions. Derivatives may be used by the underlying fund to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risks.

Investment fees and costs: 0.73% p.a. comprised of :

Investment fee: 0.63% p.a.

Estimated indirect investment costs: 0.10% p.a.

Transaction Costs: 0.01% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	**Low**

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

Risk label: Very High

Risk band: 7

Global Shares - $A Hedged

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking overseas share-like returns who have a long investment horizon and willing to accept some emerging markets risk but wish to limit currency risk. Investors must also be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI ACWI Index – 100% Hedged to AUD – Net

Investment strategy^: The option is predominantly exposed to a broad range of international shares listed on stock exchanges in developed and emerging international markets. The underlying fund employs certain investment exclusions. Derivatives may be used by the underlying fund to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risks. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Investment fees and costs: 0.85% p.a. comprised of :

Investment fee: 0.65% p.a.

Estimated indirect investment costs: 0.20% p.a.

Transaction Costs: 0.01% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	**Low**

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

Risk label: Very High

Risk band: 7

^ Please refer to the *ESG considerations* section of this document for further information on how the underlying funds take ESG considerations into account as part of their investment strategies and the investment exclusions employed.

Emerging Markets

Investment return objective: Earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for members seeking emerging overseas share-like returns who have a long investment horizon and are willing to accept currency and emerging markets risks. Investors must also be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI Emerging Markets Index – Net

Investment strategy#: The option is predominantly exposed to shares listed on stock exchanges in emerging markets. The option may also have exposure to shares listed on stock exchanges in countries which are considered 'frontier' or 'pre-emerging' and to shares listed on developed markets' stock exchanges where the share issuer derives a material proportion of its revenue from emerging markets. The underlying fund employs certain investment exclusions. The underlying fund also targets a reduction in Carbon Footprint compared to the Benchmark.

Investment fees and costs: 1.15% p.a. comprised of :

Investment fee: 1.00% p.a.

Estimated indirect investment costs: 0.15% p.a.

Transaction Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	**Medium**

Estimated number of negative annual returns over any 20 year period: Approx 7

Risk label: Very High

Risk band: 7

This option invests in an underlying fund that takes ESG considerations into account as part of its investment strategy. For further information on how the underlying fund seeks to achieve a reduction in Carbon Footprint and the investment exclusions employed, please refer to the ESG considerations section of this document.

Responsible investment options

Low Carbon Australian Shares

Investment return objective: Earn a return in line with the benchmark, before tax and after costs, over rolling 5 year periods.

Suitability: Suitable for investors seeking Australian share-like returns who have a long investment horizon. The option may suit investors who value environmental, social and governance (ESG) considerations in the investment decision making process, including those particularly concerned with climate change risk. Investors must be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: S&P/ASX 300 Accumulation Index

Investment strategy^: The option invests predominantly in a broad range of Australian shares listed on the Australian Securities Exchange. The underlying fund targets a reduction in carbon exposure compared to the Benchmark. The underlying fund also employs certain investment exclusions. Derivatives may be used by the underlying fund to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risks.

Investment fees and costs: 0.35% p.a. comprised of :

Investment fee: 0.30% p.a.

Estimated indirect investment costs: 0.05% p.a.

Transaction Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	**Low**

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

Risk label: Very High

Risk band: 7

Low Carbon Global Shares

Investment return objective: Earn a return in line with the benchmark, before costs and tax, over rolling 5 year periods.

Suitability: Suitable for investors seeking overseas share-like returns who have a long investment horizon and are willing to accept some currency and emerging markets risks. The option may suit investors who value environmental, social and governance (ESG) considerations in the investment decision making process, including those particularly concerned with climate change risk. Investors must be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI ACWI ex Australia Index Net

Investment strategy^: The option invests predominantly in a broad range of international shares listed on stock exchanges in developed and emerging international markets. The option targets a reduction in carbon exposure, and an increase in exposure to renewable energy, compared to the Benchmark. The underlying fund employs certain investment exclusions. Derivatives may be used by the underlying fund to obtain or reduce exposure to securities markets, to implement investment strategies and to manage risks.

Investment fees and costs: 0.72% p.a. comprised of :

Investment fee: 0.63% p.a.

Estimated indirect investment costs: 0.09% p.a.

Transaction Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	**Low**

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

Risk label: Very High

Risk band: 7

^ Please refer to the ESG considerations section of this document for further information on how the underlying fund seeks to achieve a reduced carbon exposure, an increase in exposure to renewable energy, and the investment exclusions employed.

Third-party investment options

Third Party Indexed Australian Shares

Investment return objective: Earn a return in line with the benchmark, before costs and tax, over rolling 5 year periods.

Suitability: Suitable for investors seeking share-like returns who have a long investment horizon. Investors must also be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: S&P/ASX 300 Accumulation Index

Investment strategy: The option is predominantly exposed to shares and unit trusts listed or about to be listed on the Australian Securities Exchange. The option is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The option may also be exposed to derivatives.

Investment fees and costs: 0.15% p.a. comprised of :

Investment fee: 0.15% p.a.

Estimated indirect investment costs: 0.00% p.a.

Transaction Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	**Low**

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

Risk label: Very High

Risk band: 7

Third Party Indexed Global Shares

Investment return objective: Earn a return in line with the benchmark, before costs and tax, over rolling 5 year periods.

Suitability: Suitable for investors seeking overseas share-like returns who have a long investment horizon and are willing to accept some currency risks. Investors must also be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI World ex-Australia (with net dividends reinvested) in Australian dollars Index

Investment strategy: The option is predominantly exposed to a broad range of international shares listed on stock exchanges in developed international markets. The option is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The option may also be exposed to derivatives.

Investment fees and costs: 0.15% p.a. comprised of :

Investment fee: 0.15% p.a.

Estimated indirect investment costs: 0.00% p.a.

Transaction Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	**Low**

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

Risk label: Very High

Risk band: 7

Third Party Indexed Global Shares - $A Hedged

Investment return objective: Earn a return in line with the benchmark, before costs and tax, over rolling 5 year periods.

Suitability: Suitable for members seeking overseas share-like returns who have a long investment horizon but wish to limit currency risks. Members must be willing to accept the possibility of negative returns over the short to medium term.

Minimum investment timeframe: Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

Benchmark: MSCI World ex-Australia (with net dividends reinvested) hedged into AUD Index

Investment strategy: The option is predominantly exposed to a broad range of international shares listed on stock exchanges in developed international markets. The option is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The option may also be exposed to derivatives. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Investment fees and costs: 0.15% p.a. comprised of:

Investment fee: 0.15% p.a.

Estimated indirect investment costs: 0.00% p.a.

Transaction Costs: 0.00% p.a.

Risk level:

Risk level for the time invested

Short term	Long term
Very High	**Low**

Estimated number of negative annual returns over any 20 year period: Approx 6 to 7

Risk label: Very High

Risk band: 7

4. Additional explanation of fees and costs

For more information on Fees and Costs not related to the investment options please refer to your Insurance, Fees and Costs Guide. If you are a member in a Closed Category or Division, please refer to your Annual Statement, Super Facts or the Member Booklet you received on joining the Fund.

Taxation

The Trustee passes through the tax deductions it receives for any administration fees that are deducted from your account. Please read the 'Fees and costs' and 'How super is taxed' sections of the PDS at **russellinvestments.com.au/login** for information on how tax impacts your superannuation.

Explanation of Ongoing Annual Fees and Costs

As a member of the Fund there are regular ongoing fees and costs that you pay:

- Administration Fees and Costs
- Investment Fees and Costs
- Transaction Costs.

Administration Fees and Costs

The Administration Fees and Costs fees relate to the administration and operation of the Fund and has the following components:

- The standard administration fees (a percentage fee and/or a fixed dollar fee) relate to the day to day administration costs. They are calculated and deducted from your account on a monthly basis. You will see these fees as a transaction on your account.
- The trustee administration fee (a percentage fee) pays for costs such as the staff costs of the Office of the Superannuation Trustee, Director Fees, product enhancements and the legal and legislative costs of the Fund. The fee is calculated and deducted from the investment returns of each investment option. This fee does not show as a transaction on your account.
- Administration costs met from reserves. Where administration costs are met from a reserve and the costs paid are more than the amount credited to that reserve at 30 June each year, the difference (i.e. excess) is included in the Administration Fees and Costs disclosed in the Fund's next Product Disclosure Statement.

Investment Fees and Costs

Superannuation funds can invest in assets directly or via other managed funds. The fees and costs incurred by the Trustee to invest the assets of the super fund has the following components:

- Investment Fees which are the fees and costs payable for the exercise of care and expertise relating to the investment of the Fund's assets.
- Performance fees and other investment costs, which include fund expenses and fund operating costs, are paid from the assets of the underlying managed funds. They can also be referred to as indirect costs, as the costs are deducted before the investment returns for the underlying funds are declared. These costs are calculated as at 30 June each year based on the actual costs incurred for each of the investment options. This means the costs can vary from year to year.
- Investment costs met from reserves. Where investment costs are met from a reserve and the costs paid are more than the amount credited to that reserve at 30 June each year, the difference (i.e. excess) is included in the Investment Fees and Costs disclosed in the Fund's next Product Disclosure Statement.

The table below summarises the current Investment Fees and Costs for all investment options and includes some estimated numbers. It is important to note that the Performance Fees and Other Investment Costs will vary from year to year. These costs are not deducted from your account but are factored into the calculation of the investment returns of each option.

		Estimated Investment Costs (% p.a.)		
Investment Option	**Investment Fee**	**Performance Fees***	**Other Investment Costs^ ****	**Total Investment Fees and Costs**
GoalTracker	0.45%	0.08%	0.12%	0.65%
Defensive	0.39%	0.06%	0.11%	0.56%
Diversified 50	0.44%	0.04%	0.12%	0.60%
Balanced Growth	0.55%	0.10%	0.13%	0.78%
Growth	0.54%	0.06%	0.12%	0.72%
High Growth	0.50%	0.07%	0.12%	0.69%
Australian Cash	0.05%	0.00%	0.04%	0.09%
Australian Floating Rate	0.12%	0.00%	0.04%	0.16%
Australian Fixed Income	0.18%	0.00%	0.06%	0.24%
Global Fixed Income - $A Hedged	0.27%	0.00%	0.08%	0.35%
Australian Shares	0.58%	0.00%	0.06%	0.64%
Listed International Property Securities - $A Hedged	0.63%	0.00%	0.17%	0.80%
Global Shares	0.63%	0.00%	0.10%	0.73%
Global Shares - $A Hedged	0.65%	0.00%	0.20%	0.85%
Emerging Markets	1.00%	0.00%	0.15%	1.15%
Low Carbon Australian Shares	0.30%	0.00%	0.05%	0.35%
Low Carbon Global Shares	0.63%	0.00%	0.09%	0.72%
Third Party Indexed Australian Shares	0.15%	0.00%	0.00%	0.15%
Third Party Indexed Global Shares	0.15%	0.00%	0.00%	0.15%
Third Party Indexed Global Shares - $A Hedged	0.15%	0.00%	0.00%	0.15%

* The performance fees are based on an average for the five year period to 30 June 2023 (unless the option has been available for a shorter inception period).

^ These values include an Operational Risk Reserve accrual of 0.00%.

** For more information regarding the Transaction Costs see the Transaction Costs Table below.

Explanation of Performance Fees

Performance fees may be charged by the underlying funds or the investment managers in the underlying funds if they meet specific investment performance targets.

Performance fees provide an incentive for investment managers and underlying funds to achieve superior performance.

Investment managers may earn a performance fee irrespective of an option's overall performance. A performance fee is only payable to the extent that past underperformance by the investment manager has been recovered.

Please note that past performance is not a reliable indicator of future performance and it is impossible to accurately forecast the performance fees that will be payable.

Performance fees are based on realised and unrealised gains. Therefore, a performance fee may be paid on unrealised gains that may never subsequently be realised. Performance fees are accrued daily. The above table shows the performance fees for the options based on an average for the five year period to 30 June 2023 (unless the option has been available for a shorter inception period).

Transaction Costs

Transaction costs are the costs incurred when buying and selling assets within each of the investment options. They are incurred in the super fund and/or in the underlying managed funds and include:

- Brokerage;
- Buy-sell spreads;
- Settlement costs (including custody costs);
- Clearing costs; and
- Stamp duty on an investment transaction.

The Transaction costs shown in the Fees and Costs Summary are net of any amount the Trustee has recovered from the application of the buy sell spreads of the investment option. The net transaction cost is the estimated percentage by which the portfolio's investment return has been reduced by transaction costs.

Transaction Costs Table

The table below shows the estimated transaction costs applicable to each investment option. It is important to remember that these costs are not deducted from your account but are factored into the calculation of the investment returns of each option.

Investment Option	Gross Transaction Costs (% p.a.)	Buy-Sell Spread Recovery (% p.a.)	Net Transaction Costs (% p.a.)
GoalTracker	0.10%	0.00%	0.10%
Defensive	0.14%	0.00%	0.14%
Diversified 50	0.18%	0.00%	0.18%
Balanced Growth	0.17%	0.00%	0.17%
Growth	0.14%	0.00%	0.14%
High Growth	0.10%	0.00%	0.10%
Australian Cash	0.00%	0.00%	0.00%
Australian Floating Rate	0.00%	0.00%	0.00%
Australian Fixed Income	0.00%	0.00%	0.00%
Global Fixed Income - $A Hedged	0.00%	0.00%	0.00%
Australian Shares	0.03%	0.00%	0.03%
Listed International Property Securities - $A Hedged	0.07%	0.00%	0.07%
Global Shares	0.03%	-0.02%	0.01%
Global Shares - $A Hedged	0.02%	-0.01%	0.01%
Emerging Markets	0.03%	-0.03%	0.00%
Low Carbon Australian Shares	0.00%	0.00%	0.00%
Low Carbon Global Shares	0.00%	0.00%	0.00%
Third Party Indexed Australian Shares	0.00%	0.00%	0.00%
Third Party Indexed Global Shares	0.00%	0.00%	0.00%
Third Party Indexed Global Shares - $A Hedged	0.00%	0.00%	0.00%

Buy-Sell Spread Recovery

Buy-sell spreads are not retained by the Trustee or the Fund's Investment Manager and are reinvested into the relevant investment option. The amount shown in the table is the amount reinvested into the option for the year ended 30 June.

Net Transaction Costs

The net transaction costs equal the total transactional costs less the buy-sell spread recovery. It is the estimated percentage by which the option's investment return has been increased or reduced by transactional and operational costs. A positive net transaction cost reduces the investment return whereas a negative net transaction cost increases the investment return.

Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a 1-year period for all superannuation products and investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product information assumes a balance of $50,000 at the beginning of the year. (Additional fees such as a buy-sell spread may apply: refer to the Fees and costs summary for the relevant superannuation product or investment option.)

You should use this figure to help compare superannuation products and investment options.

The cost of product information assumes a balance of $50,000 at the beginning of the year. Please refer to the 'Additional Explanation of Fees and Costs' section of your *Insurance, Fees and Costs Guide* for details of the fees that apply to you.

Operational Risk Reserve (ORR)

The Operational Risk Reserve (ORR) is required by legislation to ensure there are funds available to the Trustee to rectify operational risks that cause a loss to members. The ORR is managed in accordance with the Trustee's ORFR Policy and is invested in accordance with the investment strategy formulated by the Trustee, which is reviewed on an ongoing basis. The size of the ORR will be reported each year in the Fund's Annual Report and will be reported in the annual audited financial statements.

OTC Derivatives

Over the Counter (OTC) derivatives are derivatives that are privately traded between counterparties. Derivatives are financial products whose value depends on the fluctuations in the value of the underlying financial asset. Examples of common OTC derivatives include Options, Swaps, and Forwards.

The main OTC derivative used in the Fund are Forwards, also known as Forward Contracts, which are agreements to buy or sell an asset at a specified price on a future date. OTC derivatives can also be used for hedging purposes, that is, to reduce the risk of adverse price movements of an asset. The costs to acquire OTC derivatives are included in the investment costs of a super fund.

Updated Costs Information

The investment costs and performance fees as described above are based on the knowledge or reasonable estimate of the Trustee. These estimates may be based on a number of factors including using any (where relevant), previous financial year information, information provided by managers of underlying funds through which the Fund invests, information gathered by the Trustee or its Investment Manager in making decisions about acquiring or disposing of an investment, including information about costs of similar investments or in similar markets in which the Fund invests, we have made inquiries and undertaken research into the typical costs of the relevant kind of investment and estimated the costs based on the amounts the Trustee would incur if we were to make the investments ourselves.

As such, the fees and costs may differ and are subject to change from time to time. Updated information that is not materially adverse to members will be updated online at **russellinvestments.com.au/trusteerequireddisclosure** or you may obtain a paper copy of any updated information from us free of charge on request.

Asset classes

The asset classes may be exposed to, but not limited to, the following types of investments:

Asset class	Types of investments
Australian Equities	Australian listed and unlisted equity-type securities, listed investment companies and investment trusts, Australian listed property-related securities, Australian equity type derivatives and managed investment schemes that provide exposure to any of the aforementioned. This asset class includes common shares, preference shares and units.
International Equities	International listed and unlisted equity type securities, listed investment companies and investment trusts, international listed property-related securities, international equity type derivatives and managed investment schemes that provide exposure to any of the aforementioned. This asset class includes common shares, preference shares, units and potentially private equity.
Property	Australian and international listed and unlisted property funds and hybrid property-type vehicles. This asset class represents an indirect investment in real estate where the earnings and capital value are dependent on cash flows generated by real estate, through either sale or rental income.
Fixed Income	Debt securities issued by supranationals, Australian and international governments, quasi-governments, government agencies, and corporates and structured credit securities including mortgage and asset-backed securities, corporate floating rate notes, fixed interest-type derivatives and managed investment schemes that provide exposure to any of the aforementioned. This asset class represents an exposure to a loan, placement or debt security. Loans are financial assets that are created when a creditor lends funds directly to a debtor, and are evidenced by documents that are not negotiable. Placements are liabilities of entities not described as authorised deposit-taking institutions, e.g. State treasuries. Debt securities are securities that represent borrowed funds which must be repaid by the issuer with defined terms including the notional amount (amount borrowed), an identifiable return and maturity/renewal date. Includes short- and long-term debt securities.
Cash	Cash deposits and money market securities (including but not limited to, bank bills and certificates of deposit) and managed investment schemes that provide exposure to any of the aforementioned. This asset class represents an exposure to cash on hand and demand deposits, as well as cash equivalents. Cash equivalents represent short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Asset class	Types of investments
Infrastructure	Listed and unlisted securities as well as derivatives that represents an exposure to the basic physical systems of a country, state or region including, but not limited to, transportation, communication, utilities, and public institutions.
Commodities	Listed and unlisted securities as well as derivatives that represent an exposure to natural resources that are either grown or extracted from the ground and are often used as inputs in the production of other goods or services.
Other Alternatives	Other Alternatives includes non-traditional asset sectors and strategies that do not fit within any of the asset classes listed above (e.g. hedge funds and long-short strategies, absolute return multi-asset strategies and volatility management strategies) and managed investment schemes that provide exposure to any of the aforementioned.

Unit pricing and allocation of investment returns

Your account balance grows as contributions are made and as positive investment earnings are added. Fees and taxes, as well as investment losses, reduce your account balance. Every contribution made to your account is converted into units. The number of units you receive depends on the prevailing unit price. We declare unit prices for each investment option by taking into account the assets invested, the investment return, the tax payable (including such allowance as the Trustee considers appropriate for any deferred tax asset that has accrued), imputation credits, the relevant fees and provisions for any other distributions or capital gains. Generally, unit prices are declared each business day for each investment option.

How unit prices work

The unit price fluctuates in line with the market value of the assets of each investment option. If market values are going up, the unit price rises, and if market values are declining, the unit price falls. If the unit price increases relative to the original unit price at which you received your units, you have made an investment gain and your account balance rises accordingly. If the unit price decreases, you have made an investment loss and your account balance will fall.

The impact of changes in the unit price

If $100 went into your account on 1 January and the unit price was $2.00 you would have purchased 50 units. If the unit price dropped in February to $1.90, the $100 contribution has lost 5% of its initial value and is now worth $95. However, if the unit price goes up to $2.20 in March, you still have 50 units but each is worth more, so overall your investment will have gained 10% on its original value. The example in the table below is based on a single contribution and assumes that a buy-sell spread does not apply.

Date	Contribution	Unit price	Units bought	Value	Gain/Loss (relative to purchase price)
January	$100	$2.00	50	$100	–
February	–	$1.90	–	$95	-5%
March	–	$2.20	–	$110	10%

In practice, there will probably be regular contributions to your account. Each of these contributions will be converted into units at the prevailing unit price. A fall in the unit price will mean that your existing units are worth less, however it also means that the same dollar amount of contribution will buy more units than when the price was higher. This results in a greater potential for investment gain if the unit price picks up again. The table below illustrates the effect a fluctuating unit price has on the number of units you receive, assuming a regular contribution of $100 a month.

Date	Contribution	Unit price	Units bought	Total units held	Account balance
January	$100	$2.00	50	50	$100
February	$100	$1.90	52.63	102.63	$195
March	$100	$2.20	45.46	148.09	$325.80
Total	**$300**	**–**	**148.09**	**–**	**–**

Investment returns in the GoalTracker investment option

Other investment options provide you with a share of the investments in a single pool that uses the same strategy for all investors. If you invest in one of those options your share of that pool is represented by the number of units that you hold.

Unlike those investment options, the GoalTracker investment option provides a personal investment strategy not a single strategy for all investors. Hence your investment isn't shown as a number of units in an investment pool.

The value of your investment in the GoalTracker investment option is available in the secure area of our website. Like other investment options it will fluctuate with the market value of the underlying investments. The investment returns are generally calculated daily and are based on changes in the market value of the underlying investments.

Buy-sell spreads

Buy-sell spreads apply to the following investment options:

- Australian Floating Rate
- Australian Fixed Income
- Global Fixed Income – $A Hedged
- Australian Shares
- Listed International Property Securities –$A Hedged
- Global Shares
- Global Shares – $A Hedged
- Emerging markets
- Low Carbon Australian Shares
- Low Carbon Global Shares
- Third Party Indexed Australian Shares
- Third Party Indexed Global Shares
- Third Party Indexed Global Shares – $A Hedged.

Australian Cash has a nil buy-sell spread.

The following investment options do not have a buy-sell spread unless you make more than five investment switches in a financial year. This means you can move between these options, generally, without any transaction costs.

- GoalTracker
- High Growth
- Growth
- Balanced Growth
- Diversified 50
- Defensive.

If, during the financial year, you make more than five switches in or out of the diversified options listed above in a financial year, any subsequent switches in or out of those diversified options may attract a fee of 0.20% of the switched amount. Buy-sell spreads are reviewed and updated on a regular basis. View the buy-sell spreads at **russellinvestments.com.au/iQbuysellspread**

Buy-sell Spread Example

The tables below provide a hypothetical example of how the cost of the buy-sell spread can affect a $10,000 application for units that is subsequently withdrawn from an investment option. For simplicity, the daily unit price for the option is assumed to be constant at $1.00 per unit.

Assuming the investment option had a buy spread of 0.20% and a sell spread of 0.15%. This means that the 'entry price' of a unit would be 0.20% higher than the daily unit price ($1.0020 per unit), and the 'exit price' would be 0.15% lower than the daily unit price ($0.9985 per unit).

On a $10,000 application at the entry price of 1.0020, a member would receive 9,980 units. These units would be worth $9,980 at the daily unit price of ($1.00 per unit).

Application amount	Entry price (daily unit price plus buy spread)	No. of units issued
$10,000	$1.0020 per unit {$1 + ($1 x 0.0020)}	9,980

On redemption, of these 9,980 units at exit price of $0.9985 per unit the member would receive approximately $9,965.

No. of units redeemed	Entry price (daily unit price plus buy spread)	Withdrawal amount
9,980	$0.9985 per unit {$1 - ($1 x 0.0015)}	$9,965

The example shows that the total cost of the 0.20% buy spread and a 0.15% sell spread for a $10,000 application is approximately $35 as the member only receives $9,965 on withdrawal.

Please note, this example is provided for illustrative purposes only. The actual cost to you of the buy-sell spread depends on the amount you invest or withdraw and the option(s) you have chosen.

Suspension of transacting

During periods of extreme movements in the market or where a unit price cannot be struck, the Plan may suspend transaction processing, consistent with the Unit Pricing Policy that applies to the Fund. Russell Investments has an experienced Unit Pricing Committee that reports to the Trustee and oversees all unit pricing issues, including the implementation of the Unit Pricing Policy. A suspension in the processing of transactions is designed to prevent some members from inappropriately benefiting from 'market timing' to the disadvantage of other members. The Plan monitors movements in the market on a daily basis. If there is a movement of more than a specified percentage, processing of transactions may be suspended. The main transaction types that are suspended in these periods are allocation of contributions to members' accounts, investment switches, cash benefit payments and rollovers to other funds. Any contributions that cannot be allocated to members are held in a bank account in the Plan's name, as required by legislation, and the interest earned on this account is used to benefit all members. Any suspension generally lasts no more than one day, after which unit prices are calculated based on movement in the relevant benchmark index, until such time as the market stabilises. The Unit Pricing Committee may decide to continue the processing of transactions, notwithstanding market volatility, if it considers this is the best approach to take. Any suspension will be advised to members via the Plan's website.

5. Labour standards, environmental, social and ethical considerations

Definitions

- "Carbon Emissions" means:
  - Scope 1 (direct emissions): activities owned or controlled by an organisation that releases carbon emissions straight into the atmosphere; and
  - Scope 2 (energy consumption): carbon emissions being released into the atmosphere associated with consumption of purchased electricity, heat, steam and cooling. These are a consequence of a company's activity, but which occur at sources the company does not own or control.
- "Carbon Footprint" means Carbon Emissions in metric tons of carbon dioxide equivalent (CO2-e), divided by company revenue (USD).
- "Corporate Debt" means investment grade corporate debt and high yield corporate debt.
- "Decarbonisation Overlay Strategy" refers to the proprietary quantitative overlay strategy used by Russell Investments, as the principal money manager of the underlying fund for the Emerging Markets Option, in order to identify those securities that will allow the underlying fund to reduce its carbon exposure compared to its benchmark.
- "Directly" means companies that are involved in the stated activities. There is no minimum percentage revenue or ownership threshold.
- "Green Energy Ratio" means the percentage of total energy production that is produced from renewable energy sources. This takes into account the energy source calculations of green, brown and grey power generation. The ratio is the proportion of green power generation divided by total power generation. Please refer to the *Responsible Global Shares Option* section below for further information on Green Energy Ratio.
- "Indirectly" means companies that own more than 20% of an underlying company that has involvement in the stated activities.
- "Material ESG Score" refers to a proprietary scoring which identifies and evaluates the ESG issues that are financially important to a company. Please refer to the *Responsible Global Shares Option* section below for further information on the Material ESG Score approach.
- "Non-Corporate Debt" means debt securities issued by supranationals, international governments, quasi-governments and agencies.
- "Prohibited Coal Companies" means companies that derive more than 10 per cent of their revenue from coal power generation or mining thermal coal (i.e. thermal coal extraction), except for companies which derive at least 10% of their power generation from renewable energy sources.
- "Relevant Benchmark" - the relevant benchmark for each of the sector investment options is stated in the *How the investment options invest* section of this document.
- "Revenue" means the revenue percentage determined by an ESG data vendor, Sustainalytics, either from the company's reported revenues, or from an estimate of the company's revenue made by Sustainalytics.

ESG considerations

All investment options

We recognise the importance of responsible investing and environmental, social and governance (ESG) issues for our clients.

Russell Investments considers the value and measure of carbon and other ESG characteristics, as described in this section. Capitalised terms used are defined in the *Definitions* section above.

Russell Investments takes labour standards and environmental, social and ethical considerations into account when deciding which investment managers will be used for the investments. Russell Investments will only use an investment manager if they adhere to an acceptable ethical investments methodology.

Russell Investments' policy is to, where relevant, integrate responsible investing into third party investment manager evaluation and portfolio management processes.

Russell Investments employs a ranking system in its manager research process. It incorporates factors it believes impact third party investment managers' ability to generate returns for members. Russell Investments has an environmental, social and governance (ESG) rank, which considers labour standards and environmental considerations. Each manager Russell Investments research has an explicit ESG rank on a scale of 1-5, with 5 being the highest ESG rating a manager can attain. There are 4 sub-scores based on a manager's commitment to ESG their implementation of ESG insights, and their active ownership. A ranking of 3 represents a ranking consistent with the peer group average. This rank is incorporated into the:

1. third party investment manager evaluation process, to determine whether the investment manager appropriately assesses the risk and return impacts of ESG related considerations on individual portfolio holdings and the overall portfolio construction process; and
2. overall view of the investment manager.

For additional information on responsible investing, including Russell Investments' ESG rank, active ownership and engagement policy, refer to https://russellinvestments.com/au/about-us/responsible-investing.

Exclusions

Russell Investments recognises the importance of responsible investing and ESG issues for clients and employs certain investment exclusions for certain underlying funds. The relevant exclusion(s) that that are employed for certain underlying funds are specified (together with the other ESG considerations) in the remainder of this "ESG considerations" section.

Certain investment exclusions that can be employed by an underlying fund are:

- *Tobacco Manufacturers*
  Companies which Directly manufacture tobacco products (including e-cigarettes and vaping products).
- *Controversial Weapons Producers: anti-personnel mines and cluster munitions*
  Companies that are involved, either Directly or Indirectly, in the production of the core weapon system, or components/services of the core weapon system that are considered tailor made and essential for the lethal use of anti-personnel mines or cluster munitions.
- *Nuclear Weapons Producers: nuclear weapon*
  Companies that are involved, either Directly or Indirectly, in the production of the core weapon system, or components/services of the core weapon system that are considered tailor made and essential for the lethal use of nuclear weapons.
- *Prohibited Coal Companies*
  Companies which derive more than 10 per cent of their Revenue from coal power generation or mining thermal coal (i.e. thermal coal extraction).
- *Non-compliance with United Nations Global Compact (UNGC) Principles*
  Companies identified as breaching any of the United Nations Global Compact Principles ("UNGC Principles"), having regard to the following considerations.
  Russell Investments utilises the services of Sustainalytics to identify corporations which are aligned to the UNGC Principles and are therefore deemed by Russell Investments as having good governance practices. Companies deemed not to be aligned with the UNGC Principles are placed by Russell Investments on an exclusions list for the relevant underlying fund (subject to the following exceptions). The exclusions list is updated by Russell Investments generally quarterly.
  If a company is identified by Sustainalytics as being non-compliant with the UNGC Principles, the company may still be investible if Russell Investments determines that it does in fact follow good governance practices, despite the UNGC Principles assessment by Sustainalytics. In order to reach this conclusion, Russell Investments must carry out its own further analysis of the company's governance practices. This additional layer of analysis is undertaken based on advice from a third party investment manager and/or from Russell Investments' own research or insights (supplementing the research provided by Sustainalytics). The review will include an assessment of the company's labour practices, management structure and tax compliance. Following the further analysis, Russell Investments may determine, by recommendation from its investment and responsible investing teams and by determination of the Russell Investments' Global Exclusion Committee, that the company does in fact demonstrate good governance practices. Only after such a determination is made, can the company form part of the relevant underlying fund. This further analysis of a company by Russell Investments is overseen and managed by Russell Investments' Global Exclusions Committee.
  If a company is identified as having breached a UNGC Principle by Sustainalytics, and it is found to already be held by an underlying fund during a quarterly update to the underlying fund's exclusions list, Russell Investments may undertake the further analysis outlined above to determine whether, in its view, the company follows good governance practices. If no such determination is made before the next quarterly update to the underlying fund's exclusions list, the relevant company will be added to the exclusions list.

Limitations on investment exclusions

Russell Investments relies on data sourced from independent vendors in order to determine company securities that meet its exclusion criteria for relevant underlying funds. The independent vendors used do not assess all companies in the investible universe of an underlying fund at all times (whether due to a lack of available company data, corporate actions or otherwise). As a result, Russell Investments may acquire or hold a company security in an underlying fund that has not been assessed by the independent vendors and would otherwise be required to be excluded by the underlying fund's exclusions criteria.

Investment exclusions may not apply to a portion of the assets held. This is because the exclusions described above apply to companies only. As such, holdings in cash or derivatives do not form part of the holdings that are subject to the exclusions.

Where exclusions are employed, Russell Investments may identify securities held from time-to-time that are required to be excluded by the underlying fund's exclusions criteria. Unless otherwise specified, when Russell Investments becomes aware that such securities are held, it will divest those securities within 60 days.

Divestment of securities held by a third party investment manager that do not meet investment criteria will be undertaken by the manager, in accordance with its rules and requirements.

GoalTracker and Diversified options

The ESG considerations (including certain investment exclusions) are relevant to the GoalTracker investment option and the Diversified options, to the extent that they invest in the underlying funds for the options with specific ESG considerations.

There may be additional ESG exclusions or other strategies applied in the underlying funds (or the assets they hold). For instance, some of the underlying funds have strategies to:

- adjust holdings to reduce aggregate carbon footprint relative to the underlying fund's benchmark;
- promote a reduction in carbon emissions; or
- exclude companies in non-compliance with UNGC Principles.

The exclusions or other strategies described above apply to GoalTracker and the Diversified Options to the extent that they invest in the relevant underlying funds.

Specific ESG considerations

Emerging Markets

The Emerging Markets underlying fund applies a "Decarbonisation Overlay Strategy", which is a Russell Investments proprietary strategy. The Decarbonisation Overlay Strategy uses quantitative data relating to "Carbon Footprint" and involves an assessment of the involvement in coal extraction of each company in the benchmark, to enable Russell Investments to evaluate the carbon exposure of a particular company in the benchmark. Following the selection of investee companies by Russell Investments, the Decarbonisation Overlay Strategy is applied to identify those shares that will allow the underlying fund to reduce its carbon exposure compared to the benchmark.

Using the Decarbonisation Overlay Strategy, Russell Investments seeks to reduce the underlying fund's exposure to companies which engage in carbon-intensive activities or which have a significant Carbon Footprint. The Decarbonisation Overlay Strategy uses a systematic optimisation strategy to: (i) exclude all "Prohibited Coal Companies"; (ii) evaluate the carbon exposure of investee companies; and (iii) adjust the holdings of the underlying fund to reduce its Carbon Footprint compared to the benchmark.

The Carbon Footprint of an investee company (referred to in (ii) above) is evaluated using third-party Carbon Footprint data, as well as data relating to the involvement of the company in the extraction of coal. Based on this evaluation, the Decarbonisation Overlay Strategy adjusts the holdings of the underlying fund to reduce its Carbon Footprint compared to the benchmark.

The underlying fund targets a reduction in Carbon Footprint of at least 20% compared to its benchmark.

For the purposes of the Decarbonisation Overlay Strategy, Russell Investments utilises data sourced from independent vendors, as well as publicly available information, which may include company reports.

In addition to Prohibited Coal Companies, the underlying fund also excludes Tobacco Manufacturers or Controversial Weapons Producer companies/services of the core weapon system, that are considered tailor made and essential for the lethal use of cluster munitions or anti-personnel mines, and those in non-compliance with UNGC Principles.

Divestment of securities held by the underlying fund that do not meet its investment criteria, will be undertaken by the underlying fund in accordance with the underlying fund's rules and requirements.

Global Fixed Income - $A Hedged

The Global Fixed Income - $A Hedged underlying fund targets a reduction in "Carbon Footprint" of at least 20% compared to its Benchmark, for the "Corporate Debt" of the securities it holds. The underlying fund seeks to achieve this primarily by excluding "Prohibited Coal Companies". If, however, following the employment of the exclusion, the underlying fund has not met its Carbon Footprint reduction target, Russell Investments will evaluate the Carbon Footprint of all remaining Corporate Debt securities held by the underlying fund and will take measures to ensure that its holdings are adjusted to sufficiently reduce its Carbon Footprint in order to meet its Carbon Footprint reduction target.

The underlying fund does not currently have Carbon Emissions reduction targets in respect of its non-Corporate Debt securities holdings, due to the low Carbon Emissions data coverage rates available for those securities. Should that change, the carbon reduction targets may be revised to incorporate Carbon Emissions for those securities.

In addition to Prohibited Coal Companies, Tobacco Manufacturers, Controversial Weapons Producers, Nuclear Weapons Producers, and those in non-compliance with UNGC Principles are also excluded from the Corporate Debt portion of the securities held by the underlying fund.

Australian Fixed Income

"Prohibited Coal Companies" and UNGC Principles are excluded from the "Corporate Debt" portion of the securities held by the underlying fund.

Low Carbon Australian Shares and Low Carbon Global Shares

Russell Investments applies a proprietary quantitative overlay in order to identify those securities, within the "Relevant Benchmark" for the underlying fund, which will allow it to:

1. reduce its carbon exposure levels;
2. achieve a higher Material ESG Score; and
3. for Low Carbon Global Shares, deliver a higher Green Energy Ratio,

as compared to the benchmark for the Low Carbon Australian Shares Option and the Low Carbon Global Shares Option (which is also the "Relevant Benchmark" for the Option).

Russell Investments' systematic quantitative process balances these objectives, together with seeking to maintain a similar level of risk to the benchmark, to create the portfolio from which it invests. It evaluates data sourced from independent vendors, as well as publicly available information (which may include company reports), for these purposes.

Additional information about this quantitative overlay process can be found in the Decarbonisation research paper, available at **russellinvestments.com/au/about-us/responsible-investing**.

Carbon exposure

Russell Investments seeks to reduce the underlying fund's exposure to companies which engage in carbon-intensive activities or which have a significant carbon footprint and/or carbon reserves. This is done using a systematic optimisation strategy to:

i) exclude coal companies which are prohibited from being held by the underlying fund; and
ii) invest in companies so that the aggregate carbon exposure of the underlying fund meets the underlying fund's carbon reduction targets, when compared to the aggregate carbon exposure of the benchmark.

Material ESG Score

Russell Investments uses a proprietary quantitative "Material ESG Score" to assess companies for the underlying fund. It evaluates information sourced from independent vendors, specialising in the provision of ESG data, for a company that is assessed by an independent vendor. The data received from the independent vendors provides scores for many different types of ESG topics – such as employee turnover rate, human capital development, carbon intensity board diversity and involvement in incidents or controversies.

The 'materiality' of ESG issues is determined using the industry-level materiality map, developed by the Sustainability Accounting Standard Board (SASB), that is relevant to a company. The map focuses on sustainability strategies for the most important issues that underpin the five broad sustainability dimensions: (i) environment; (ii) social capital; (iii) human capital; (iv) business model and innovation; and (v) leadership and governance. The map identifies sustainability issues that are likely to affect the financial condition or operating performance of companies within an industry, under each of the above dimensions. This is then considered with the company-level data received from the independent vendors.

A company is rated on how well it proactively manages the ESG issues that are most material to its business. The Material ESG Score differentiates between companies, based on ESG issues that are financially material to a company's business (and, therefore, profitability), rather than applying the same scores to all companies, regardless of their industry.

Each company with available data in the underlying fund's benchmark, will be given a Material ESG Score, which is calculated out of 10.

Russell Investments is not required to invest in a company, simply because it has a high Material ESG Score. It will use the Material ESG Score to assist in identifying and selecting companies that will improve the underlying fund's ESG characteristics, relative to the benchmark.

The underlying fund aims to have better ESG characteristics than that of the relevant benchmark, through the application of Material ESG Scores to companies in the benchmark. Further details of the Material ESG Score approach and methodology is provided in the research paper available at **russellinvestments.com/au/about-us/responsible-investing**.

Low Carbon Australian Shares

The underlying fund targets a reduction in exposure to both Carbon Emissions 35% and fossil fuel reserves by 30% compared to the relevant benchmark (which is also the relevant benchmark for the Option). While the underlying fund targets a reduction in exposure to fossil fuel reserves compared to the relevant benchmark, it can still hold companies with fossil fuel reserves.

Russell Investments has processes designed to ensure that the underlying fund does not knowingly invest in Tobacco Manufacturers, Controversial Weapons Producers and Nuclear Weapons Producers.

As at the date of this document, there are no companies available to be held by the underlying fund that would fall within the above exclusion criteria.

Low Carbon Global Shares

The underlying fund targets a reduction in exposure to both Carbon Emissions and fossil fuel reserves by 50% compared to the relevant benchmark (which is also the relevant benchmark for the Option). While the underlying fund targets a reduction in exposure to fossil fuel reserves compared to the relevant benchmark, it can still hold companies with fossil fuel reserves.

Russell Investments has processes designed to ensure that the underlying fund does not knowingly invest in Tobacco Manufacturers, Controversial Weapons Producers and Nuclear Weapons Producers.

Additionally, it does not knowingly invest Directly in companies whose primary business is uranium mining or companies that derive more than 10% of their Revenue from coal power generation or mining thermal coal (i.e. thermal coal extraction).

Russell Investments has appointed a third party ESG data provider to conduct research on its behalf. The third party ESG data provider identifies excluded securities based on the criteria above. The exclusion list is updated each calendar quarter and provided to third party investment managers accordingly.

Green Energy Ratio

Russell Investments considers the value and measure of green energy to favour companies involved in the development of renewable energy for the underlying fund. It calculates a "Green Energy Ratio", from information received from an independent vendor, for the purpose of identifying companies that produce green energy, for inclusion in the relevant underlying fund.

The Green Energy Ratio calculates the percentage of total energy produced by the company from renewable sources. This takes into account the energy source calculations of green, brown and grey power generation. The ratio is the proportion of green power generation divided by total power generation.

Green power generation includes energy sources such as wind, solar, biomass geothermal wave/tidal and hydroelectric.

Brown energy sources are coal, natural gas, liquified petroleum gas energy, petroleum and liquified natural gas power. Grey power generation comes from nuclear power, landfill gas and any other power generated from a source not listed above.

United Nations Global Compact Principles

The Emerging Markets and Global Fixed Income - $A Hedged underlying funds invest in corporations which follow good governance practices by international standards.

Russell Investments utilises the services of a highly reputable third-party data provider to identify corporations which are aligned to the United Nations Global Compact Principles (UNGC Principles) and are therefore deemed by Russell Investments as having good governance practices. This identification process includes a holistic assessment of core metrics for measuring good governance, including company responsibility, company management and the severity of impacts on stakeholders and/or the environment. Russell Investments' default position, as regards the selection of investments, is that it will not invest in corporations that are identified as breaching any of the UNGC Principles.

- In cases where a corporation is deemed to have breached a UNGC Principle, Russell Investments may elect to initiate an engagement and review process in respect of the relevant corporation's governance practices. Under this process, Russell Investments will engage with the relevant corporation to understand why a breach of the UNGC Principles has been identified and to promote improvements in the governance practices within the corporation, if deemed necessary. Following this engagement process, Russell Investments may make a determination that the relevant corporation exhibits good governance practices, despite the initial assessment of the corporation, and can therefore form part of the portfolio of the underlying funds.

If a corporation held by the underlying funds is identified as having breached a UNGC Principle following the initial assessment described above, the underlying funds may continue to hold securities of the corporation, provided that the engagement and review process has been initiated and only until such time as it has been completed. If the relevant corporation refuses to actively engage with Russell Investments or if at the end of the review period the corporation has not demonstrated sufficient good governance practices, Russell Investments (or its third party managers) will divest of its holdings in the corporation.

Russell Investments has in place a robust governance process around decisions that are made following each engagement and review process outlined above, with each determination being overseen and managed by its Global Exclusions Committee.

Sectors

Russell Investments has processes designed to ensure that the underlying funds do not knowingly invest in Tobacco Manufacturers, Controversial Weapons Producers and Nuclear Weapons Producers for the following Sectors:

- Global Shares; and
- Global Shares – $A Hedged.