



How we invest your money

VicSuper FutureSaver Member Guide

The information in this document forms part of the *VicSuper FutureSaver Product Disclosure Statement (PDS)* dated 1 July 2020. It is based on laws that were current at 1 June 2020.

Our investment policy

To help grow your super savings for later in life, our investment policy is to:

- offer a range of investment options that cover the varying levels of risk and expected return that people seek for their super savings
- set a return objective for most investment options
- invest each option according to a strategic asset allocation which may be varied within asset allocation ranges (where applicable), and
- invest for the long term by integrating environmental, social, and governance considerations (ESG) into our investment decision making process.

The money you invest with us is pooled with other members' savings and then invested to earn you a return. Pooling money allows access to a wide range of investments, which is common practice among super funds.

Investment objectives

Each investment option has a stated objective which is the desired investment outcome for that option. Investment objectives vary with the level of risk associated with the assets that make up the option. Keep in mind when reviewing the options' objectives that they are not a forecast of future returns, or prediction of the earnings on your investment.

For each pre-mixed option and the Australian Shares option, the investment objective is to achieve investment growth above inflation (as measured by the Consumer Price Index) over rolling time periods. By contrast, the investment objectives for the Cash and Term Deposit options are generally to track or outperform a relevant market benchmark or index, for example, the Bloomberg AusBond Bank Bill Index.

We may change the investment objective of an investment option from time to time without notifying you.

Our investment strategy

Our primary goal is to optimise our members' retirement savings by diversifying across a range of asset classes and investing for the long-term.

Strategic asset allocation

Each pre-mixed option is assigned a medium to longer term target asset allocation, known as the strategic asset allocation. The strategic asset allocation is the percentage of monies allocated to asset classes including equities, alternatives (such as credit and liquid alternatives), real assets (such as property and infrastructure), fixed interest and cash for each investment option. It is the strategic asset allocation that predominantly influences the expected risk and expected investment return for each option. We also establish asset allocation ranges which are the minimum and maximum amounts we can invest in each asset class (in normal operating circumstances).

The strategic asset allocation and asset allocation ranges for each investment option, as at the date of this Member Guide, are shown in the investment option tables on pages 10 to 14. Note that each of the asset classes may include cash balances for portfolio management purposes.

The actual asset allocation in place at a particular time may vary from the strategic asset allocation because we use an active asset allocation approach. This allows us to take advantage of market conditions by temporarily increasing or decreasing our exposure to a particular asset class (or a specific sector or geography within an asset class, eg US equities). This can help shield members from the risks of being overexposed to expensive markets and add incremental returns by increasing exposures to asset classes when they are attractive.

These deviations from the strategic asset allocation are generally in place for a short to medium term period and must be consistent with the investment objective and strategy of the option. While generally the actual asset allocation will be within the

strategic asset allocation ranges, during an episode of significant market stress the actual asset allocation may be moved outside the ranges shown in the investment option tables.

We may vary the strategic asset allocation and asset allocation ranges for an investment option from time to time without prior notice.

Foreign currency management

When investing in overseas assets such as international equities or fixed interest, returns reflect both changes in the value of the underlying investments, as well as currency movements. We may hedge some or all of the currency exposure back to Australian dollars in order to manage risk or enhance returns.

We may change the currency exposure over time with the intention of improving the investment option's ability to meet its performance and risk objectives.

Professional investment managers invest your money

We work with a panel of professional investment managers who specialise in different asset types to assist us in managing your super. Our investment managers can be changed at any time, and a current list of managers by asset class is available on our website at [vicsuper.com.au/investmentmanagers](https://www.vicsuper.com.au/investmentmanagers)

We also have a team of investment specialists who oversee our investment portfolios and manage a number of investments in-house. The investment team seeks to deliver value to members with an approach that focuses on:

- Active (dynamic) and strategic asset allocation to get the target mix of different investment types.
- High quality research to underpin and improve investment decisions.
- Managing select assets in-house,

which brings market insights and greater access to unique opportunities.

- Integrating ESG considerations into the investment process.
- Active ownership and engagement to drive positive change with the companies we invest in.

The team also performs a cash flow and portfolio rebalancing function for the pre-mixed investment options to help ensure each option is invested as closely as possible in line with the target asset allocations.

Investment approaches

Investment managers use different approaches to select investments, with two of the main approaches, passive and active management, described below. No single approach is guaranteed to outperform all others in all market conditions.

Passive management

Also known as index managers, passive managers choose investments to form a portfolio that closely tracks a market benchmark (or index). Passive managers usually charge lower fees because they don't require extensive resources to select investments.

Active management

Active managers select investments which they believe will perform better than a market benchmark over the long term. They buy or sell investments when their market outlook alters or their investment insights change.

Responsible ownership

As a large investor, we must be mindful of the impact our investments make in markets, communities and on the environment, and are a signatory to the Principles for Responsible Investment (PRI) which promote sustainable investment. This reflects our belief that poor management of long-term ESG related risks by a company has the potential to impact our members' investment returns and may also harm the broader community and environment. Responsible ownership is an approach to investing that explicitly incorporates consideration of ESG issues into investment decisions to better manage risk and generate strong long-term returns. Our approach to responsible ownership applies to the Fund as a whole and consists of three main pillars:

- **Integration into the investment process** – we actively incorporate ESG considerations into the investment due diligence, selection, and monitoring processes, and expect the investment managers we partner with to monitor ESG risks that relate to the Funds' investments.
- **Proxy voting** – we use our voting rights to support resolutions that seek to enhance value for our members across a range of areas such as board composition, executive remuneration plans, and climate-related disclosure and action. Information on our voting decisions are available at vicsuper.com.au/responsibleinvestment
- **Engagement** – we regularly engage with the companies we invest in to encourage them to improve their ESG policies and practices, and ensure they are focussed on generating long-term sustainable returns for our members. Note that although our approach is predominantly one of engagement rather than divestment, if engagement fails to address issues of significant concern, we may decide to exclude a particular company or industry from the

Fund's investments. We allow our investment managers some flexibility to determine the manner in which ESG considerations are implemented and have no pre-determined views regarding what they regard to be a labour standard or an environmental, social or ethical matter, or how these matters should be incorporated into investment decisions, except as outlined below.

Exclusions

We have decided to exclude direct investment in those companies involved in the manufacture of cigarettes and other tobacco products from all of our investment options. Our decision to prohibit these investments was based on an assessment of the challenges and outlook for the sector, as well as the known adverse health effects of tobacco products. Note that the Fund may have an immaterial, indirect exposure to tobacco companies. However, the exposure is regularly monitored to ensure that it remains immaterial and does not exceed the limit agreed by us.

We may divest from sectors, industries or investments from time to time without prior notice, in accordance with each option's strategic asset allocation and our Responsible Investment Policy as updated from time to time.

You can read our Responsible Investment Policy on our website at vicsuper.com.au/responsibleinvestment or you can obtain a copy without additional charge from us.

Socially Conscious investment option

Our Socially Conscious investment option incorporates a wide range of explicit social and environmental objectives and it aims to help our members:

- take action on climate change by not investing in companies that hold fossil fuel reserves used for energy purposes;
- minimise social harm by not investing in companies that are materially involved in activities that potentially cause social harm, for example tobacco production, alcohol, gambling, military weapons, civilian firearms, nuclear power, adult entertainment and genetically modified organisms; and
- protect human rights, labour rights and the environment by not investing in companies that have been involved in severe incidents and/or controversies, or have been found not to be adhering to widely accepted global conventions.

The objectives are achieved by applying a number of exclusionary screens when selecting companies for investment.

These exclusionary screens only apply to the equities and fixed interest components of the investment option.

Socially Conscious investment option
Environmental, social and labour objectives and exclusionary screens

Take action on climate change	Excludes investment in companies: <ul style="list-style-type: none"> • with coal, oil and/or gas reserves used for energy purposes. • deriving 5% or more revenue from mining of thermal coal or thermal coal based power generation.¹ • whose principal business revenue is derived from direct fossil fuel activity in the following GICS² sub-industries: Integrated Oil & Gas; Oil & Gas Exploration & Production; Oil & Gas Refining & Marketing; Coal & Consumable Fuels; Oil & Gas Storage & Transportation; Oil & Gas Drilling; Oil & Gas Equipment & Services^{1,3}
Minimalise social harm	Excludes investment in companies materially ⁴ involved in: <ul style="list-style-type: none"> • Tobacco • Alcohol • Gambling • Civilian Firearms • Military Weapons (cluster munitions, landmines, depleted uranium, biological/chemical^l, nuclear, conventional) • Nuclear Power • Adult Entertainment • Genetically Modified Organisms
Protect human and labour rights and the environment	Excludes companies that have been involved in significant ⁵ ESG controversies, or are predicted ⁶ to have a high risk of being involved in such incidents in future. Controversies include incidents pertaining to society and the community, employees, the environment, business ethics, and the operations, products, and services of the company.



The Certification Symbol signifies that a product or service offers an investment style that takes into account certain environmental, social, governance or ethical considerations. The Symbol also signifies that the VicSuper Socially Conscious investment option adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Superfund Option. The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and our Socially Conscious investment option's methodology and performance can be found at responsiblereturns.com.au, together with details about other responsible investment products certified by RIAA.⁷

We may introduce additional screenings in the future. Investments across the other asset classes apply an ESG integration approach.

Investment risk may be slightly higher for the Socially Conscious investment option because the portfolio is not as well diversified and has fewer underlying investment managers compared to our standard investment options. Investment risk may also be higher due to the exclusion of specific industries including fossil fuels, alcohol and gambling.

Notwithstanding, its investment universe is sufficiently diverse to avoid inadequate diversification.

Equities

Realindex Investments⁸ is the manager of the Australian and international equity investments in the Socially Conscious investment option.

The equity portfolio follows a systematic equity strategy with the composition of the portfolio being constructed and traded by Realindex.

After applying the exclusionary screens in the table above, a combined stock selection and portfolio weighting process is applied to the remaining stocks in the investable universe.

In this process, companies are selected and weighted in order to favour companies with good financial quality, value, and momentum. Each of these attributes is measured as a composite of several underlying financial metrics.

In addition, an ESG signal is incorporated into the process so that firms with better ESG credentials will be preferred. This signal is derived from data provided by external providers, and is made up of an overall ESG score, any change to this ESG score, and the occurrence of recent ESG incidents.

A full list of the equities that Socially Conscious invests in is available at vicsuper.com.au/sociallyconscious

1. This criterion applies to equities only.
 2. The Global Industry Classification Standard (GICS) is an industry taxonomy developed in 1999 by MSCI and Standard & Poor's (S&P) for use by the global financial community.
 3. Companies who demonstrate that they are transitioning to clean energy may remain investable.
 4. Materially means the company generally derives greater than 5% revenue from the activity.
 5. For equities, companies with MSCI controversies score of 3 or below are excluded. For fixed interest, companies with a score of 0 are excluded.
 6. Companies with an ESG rating below a specified threshold will not be selected for investment.
 7. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.
 8. First Sentier Investors Realindex Pty Limited (Realindex), ABN 24 133 312 017, AFS Licence 335381, www.realindexinvestments.com.au

Fixed Interest

BlackRock Investment Management (Australia) Limited (BlackRock), AFSL 230523 is the manager of one of the Australian fixed interest investments in the Socially Conscious investment option. It applies exclusionary screens to the corporate bonds it invests in.

BlackRock is also the manager of the international fixed interest investments in the Socially Conscious investment option. For international fixed interest, it applies exclusionary screens to both corporate bonds and Treasury and Government-Related bonds it invests in.

Our Socially Conscious investment option is invested in BlackRock's iShares ESG Australian Bond Index Fund (ESGABI) and iShares ESG Global Bond Index Fund (ESGOBI), which implement customised indices. ESGABI uses a Bloomberg Barclays MSCI Australia 100mn ESG weighted SRI Select Index. ESGOBI uses a Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels Index (AUD hedged). Both ESGABI and ESGOBI exclude non-government securities associated with fossil fuels, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, military weapons, civilian firearms and nuclear power, as well as companies with an MSCI controversies score of 0. In addition, ESGOBI excludes Treasury and Government-related issuers with an MSCI ESG Government rating below BB. The definitions for exclusion, together with the ESG weighting methodology, can be found at [vicsuper.com.au/sociallyconscious](https://www.vicsuper.com.au/sociallyconscious)

The composition of the indices is maintained and reviewed regularly and rebalanced monthly.

We undertake an annual review of the Socially Conscious investment option and its objectives.

Other information

How the assets of the Fund are held

We have appointed State Street Australia Limited as custodian, whose role is to:

- hold the assets of the Fund on our behalf,
- perform certain administrative, unit pricing, accounting, taxation, monitoring and reporting functions for the Fund.

We may replace the custodian at any time without notice to you.

Consultants

We appoint an asset consultant to advise us on appropriate asset allocation for each of the pre-mixed investment strategies and provide research on managers in each of the asset classes. This includes an evaluation of each manager's investment style and its suitability to complement other current and potential managers. We also engage specialist consultants as required to assist in providing the trustee board with specific advice relating to various specialist asset sectors.

Use of derivatives

Derivatives, such as futures or options, are investment products whose value is derived from the underlying investment. For example, the value of a share option is linked to the value of the underlying share. Gains and losses from holding positions in derivatives can occur due to market movements.

Derivatives may be used:

- to manage risk (eg foreign currency hedging)
- for asset allocation purposes
- as a way to implement investment positions efficiently, and
- to enhance returns.

Derivative contracts must not be held unless, at all times, there are sufficient assets to support the liability under each contract (i.e. derivatives cannot be used to leverage an investment option directly). We may also invest in unlisted trusts which employ leverage and derivatives with the objective of enhancing returns (e.g. hedge funds).

Securities lending

Securities lending arrangements generally assist the efficiency of global financial markets by increasing liquidity and enabling prices to better reflect the underlying value of the securities. Securities lending arrangements can be altered or terminated at any time.

Understanding the asset classes

An asset class refers to a group of assets that are considered to have similar risk and return characteristics.

Equities



Equities are often called company shares or stocks. This asset class potentially provides the highest average long-term returns but may also be subject to a higher risk of low or negative returns (high volatility) in the short to medium term.

Equities are classified as growth assets because they primarily provide returns in the form of capital gain (or loss) as well as a dividend or income yield.

Our investments in this asset class are shares in public companies listed on stock exchanges, which can be bought and sold by the public. The asset class is made up of two main sub-asset classes, being Australian equities and international equities. The latter includes both developed and emerging market equities.

Returns are made when the market price increases and dividends are paid. On the other hand, investment losses are made when the market price of these shares decreases. Note our Australian and international equities asset classes can also include a small exposure to unlisted companies.

Alternatives



Investments in this asset class currently consist of, but are not limited to, Australian and international private (unlisted) equity, credit income and liquid alternatives. The private equity sub-asset class contains equities that are not listed on stock exchanges.

Over time other sub-asset classes may be added to alternatives. The alternatives asset class will hold investments that do not fall under any of the other asset classes.

Real assets



These are investments in property, infrastructure, and other assets. We have defined the 'real assets' asset class as exhibiting the attributes of both growth and defensive assets.

1. Property

These are assets such as office buildings, shopping centres and industrial buildings. These investments are usually structured for capital growth and rental income. Returns are made from rental income and movements in property market value.

2. Infrastructure and real assets

These are assets that deliver services necessary for daily life and economic activity such as airports, seaports, railways, power and water utilities (including renewables), toll roads and pipelines. Returns are made from fees, patronage, rental income and the revaluation of assets. Infrastructure assets includes investments in agriculture, including land and water assets, as well as timber assets (mainly plantation timber or managed forest) which are managed for the production of pulp, chip, sawn timber and higher-value wood products.

Fixed interest



These are investments in debt instruments issued by governments, semi-government agencies, supranationals/sovereigns agencies and corporations. Often called 'bonds', they are issued for a set amount (the principal or face value) over an agreed period, usually at an agreed interest rate (the yield). Returns are made from regular coupon payments and the movement in capital value.

Cash



Cash investments include a range of short and medium-term interest-bearing investments, such as term deposits, bank bills and treasury notes. Typically the least risky of all asset classes, cash is often chosen by investors who want to access their money in the short to medium term. However, while the risk of negative returns from cash investments is much lower than for other asset classes, expected returns are also lower. The buying power of your money may also be reduced as it may not keep up with inflation.

The value of a cash investment will fluctuate due to a number of factors, but primarily with the rise and fall in interest rates.

Investment options

As a member of the Fund, you can choose one investment option, or a mix of investment options. Our range of options covers a wide variety of expected risk and return profiles that may suit your needs.

Each of our investment options has a Standard Risk Measure, ranging from very low for the Cash and Term Deposit options, through to very high for the Australian Shares option. Our investment options and their varying risk and return profiles are represented in the stylised diagram below.

Broadly speaking, investment options vary because of the mixture of growth and defensive assets in them. Options with a high allocation to growth assets typically experience greater volatility, meaning the unit price will go up and down more frequently and the likelihood of negative returns in any one financial year is higher. Options with a lower

percentage of growth assets (and a higher percentage of defensive assets) are usually less volatile and less likely to have negative returns in any one financial year.

Our default option is the Growth (MySuper) Option

If you joined the Fund:

- through your employer – you are automatically placed in the Growth (MySuper) Option when you first join
- as an individual – you may choose your investment option when you first join. If you don't choose an investment option or mix of options, your funds will be placed in the Growth (MySuper) Option.

Our long-term investment objectives

With the exception of the Cash and Term Deposit options, each investment option is designed to generate an expected annual net investment return over rolling 10-year periods.

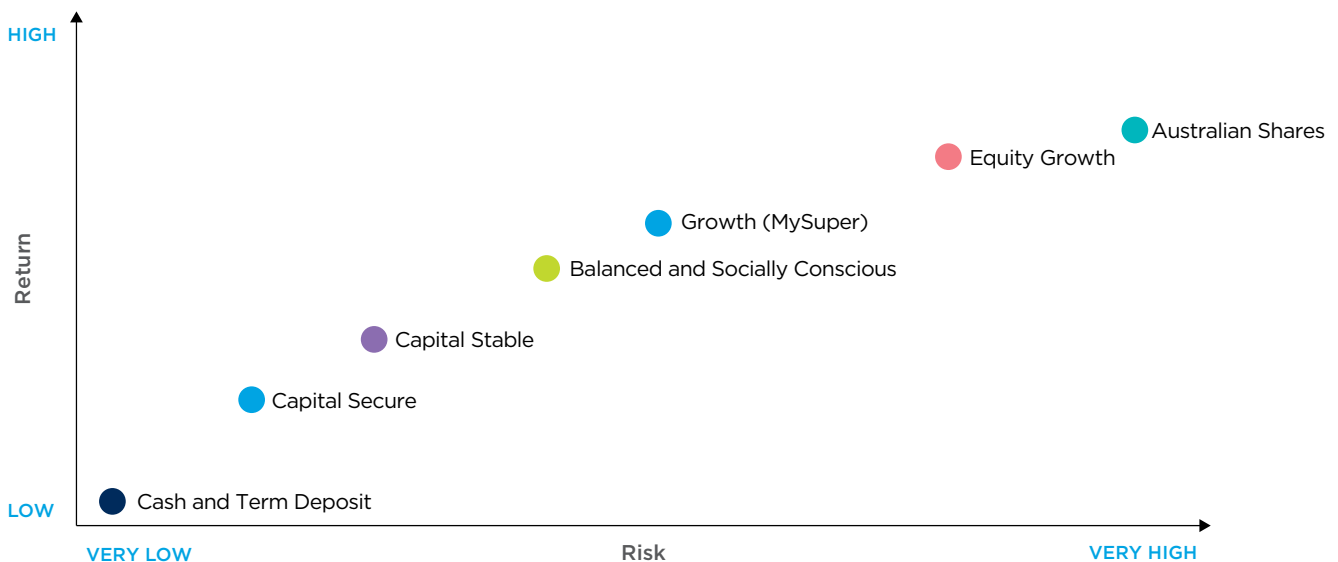
Due to the long term nature of super, we believe this is an appropriate timeframe to measure performance.

Please note:

The higher the likelihood of fluctuations in annual investment returns, the greater the likelihood of negative returns in a particular year or years.

Our investment options: long-term risk and expected return

This graph provides a broad overview of the expected risk and return for the investment options for comparison. It is illustrative only and is not a forecast or guarantee of the future returns of the investment options shown. Similarly, it should not be relied on as providing an accurate indication of the level of risk associated with any one option. Each option is subject to different types of risks and can be impacted by those particular risks to varying degrees depending on the nature of the option's investments.



Investing in a range of assets

We have determined an appropriate split between growth and defensive assets for each option that is consistent with the option's risk level and is most likely to meet the option's investment objective. Some assets may be part growth and part defensive, due to sub-class categorisation, eg property.

Growth assets have the potential to achieve capital growth over the medium to long term. They include Australian equities, international equities, property, infrastructure, private equity, hedge funds and real return strategies. While in the long term these types of assets have the potential to produce higher returns, they can be more volatile (or risky) in the short term when compared with defensive assets and have a greater potential to produce negative returns in the short to medium term.


Defensive assets (also known as income assets) generally provide an income stream and typically include fixed interest, cash and some alternative assets such as credit investments. These investments are generally considered to be less risky than growth assets, but can at times produce a negative return.

For more information on what is included in each asset class, refer to 'Understanding the asset classes' on page 7.



We offer you a range of investment options

The VicSuper FutureSaver product provides a range of investment options, covering the varying levels of risk and expected investment return that people generally seek for their super savings.



Cash

Description	This option has no allocation to growth assets, with a very low risk of fluctuating returns.								
Investment return objective	To earn an investment return (after tax and investment expenses) that matches or exceeds the Bloomberg AusBond Bank Bill Index (after tax).								
Growth/defensive asset split	Growth 0% Defensive 100%								
Most suitable for	Investors who have a very low tolerance for risk.								
Minimum suggested investment timeframe	No minimum timeframe is suggested.								
Asset classes	 <table border="1" data-bbox="954 1205 1412 1332"> <thead> <tr> <th>Asset</th> <th>Strategic Asset Allocation</th> <th>Target Range</th> </tr> </thead> <tbody> <tr> <td>● Cash</td> <td>100%</td> <td>N/A</td> </tr> </tbody> </table>			Asset	Strategic Asset Allocation	Target Range	● Cash	100%	N/A
Asset	Strategic Asset Allocation	Target Range							
● Cash	100%	N/A							
Standard Risk Measure¹	<p>Risk band: 1</p> <p>Risk label: Very low</p> <p>●○○○○○○○</p> <p>Estimated number of negative annual returns over any 20 year period:</p> <p>Less than 0.5</p>								

1. 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. The Standard Risk Measure 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. We assess the Standard Risk Measure for each of the investment options based on the option's strategic asset allocation. Members should not rely exclusively on the Standard Risk Measure and should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

	Term Deposit	Capital Secure																								
Description	This option has no allocation to growth assets. Once selected, the interest rate and term of the term deposit is locked in and cannot change.	This option has a 25% ¹ allocation to growth assets. The risk of fluctuating returns is low.																								
Investment return objective	To earn an investment return (after tax and investment expenses) that matches or exceeds the Bloomberg AusBond Bank Bill Index (after tax).	To earn an investment return of 1.25% per annum (after tax and investment expenses) above the rate of inflation over rolling 10-year periods.																								
Growth/defensive asset split	Growth 0% Defensive 100%	Growth 25% ¹ Defensive 75% ¹																								
Most suitable for	Investors who have a very low tolerance for risk.	Investors who have a low tolerance for risk.																								
Minimum suggested investment timeframe	Investors can choose a 3, 6, 9 or 12 month investment timeframe. ⁵	1-year plus																								
Asset classes	 <table border="1"> <thead> <tr> <th>Asset</th> <th>Strategic Asset Allocation</th> <th>Target Range</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>100%</td> <td>N/A</td> </tr> </tbody> </table>	Asset	Strategic Asset Allocation	Target Range	Cash	100%	N/A	 <table border="1"> <thead> <tr> <th>Asset</th> <th>Strategic Asset Allocation¹</th> <th>Target Range¹</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>12%</td> <td>0-27%</td> </tr> <tr> <td>Alternatives²</td> <td>9%</td> <td>0-24%</td> </tr> <tr> <td>Real assets³</td> <td>14.5%</td> <td>0-29.5%</td> </tr> <tr> <td>Fixed interest</td> <td>30%</td> <td>15-45%</td> </tr> <tr> <td>Cash</td> <td>34.5%</td> <td>19.5-49.5%</td> </tr> </tbody> </table>	Asset	Strategic Asset Allocation ¹	Target Range ¹	Equities	12%	0-27%	Alternatives ²	9%	0-24%	Real assets ³	14.5%	0-29.5%	Fixed interest	30%	15-45%	Cash	34.5%	19.5-49.5%
Asset	Strategic Asset Allocation	Target Range																								
Cash	100%	N/A																								
Asset	Strategic Asset Allocation ¹	Target Range ¹																								
Equities	12%	0-27%																								
Alternatives ²	9%	0-24%																								
Real assets ³	14.5%	0-29.5%																								
Fixed interest	30%	15-45%																								
Cash	34.5%	19.5-49.5%																								
Standard Risk Measure⁴	<p>Risk band: 1</p> <p>Risk label: Very low</p> <p>● ○ ○ ○ ○ ○ ○ ○</p> <p>Estimated number of negative annual returns over any 20 year period:</p> <p>Less than 0.5</p>	<p>Risk band: 2</p> <p>Risk label: Low</p> <p>● ● ○ ○ ○ ○ ○ ○</p> <p>Estimated number of negative annual returns over any 20 year period:</p> <p>0.5 to less than 1</p>																								

1. These numbers have been rounded.
 2. Alternatives are classified as part growth and part defensive.
 3. Real assets are classified as part growth and part defensive.
 4. 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. The Standard Risk Measure 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. We assess the Standard Risk Measure for each of the investment options based on the option's strategic asset allocation. Members should not rely exclusively on the Standard Risk Measure and should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.
 5. Term Deposit interest rates vary depending on the chosen term (3, 6, 9 or 12 months) and date commenced. To view current rates go to our website.



	Capital Stable	Balanced																																				
Description	This option has a 41% ¹ allocation to growth assets. The risk of fluctuating returns is low to medium.	This option has a 61% ¹ allocation to growth assets. The risk of fluctuating returns is medium.																																				
Investment return objective	To earn an investment return of 2.25% per annum (after tax and investment expenses) above the rate of inflation over rolling 10-year periods.	To earn an investment return of 3.25% per annum (after tax and investment expenses) above the rate of inflation over rolling 10-year periods.																																				
Growth/defensive asset split	Growth 41% ¹ Defensive 59% ¹	Growth 61% ¹ Defensive 39% ¹																																				
Most suitable for	Investors who have a low to medium tolerance for risk.	Investors who have a medium tolerance for risk.																																				
Minimum suggested investment timeframe	3-years plus	5-years plus																																				
Asset classes	 <table border="1"> <thead> <tr> <th>Asset</th> <th>Strategic Asset Allocation¹</th> <th>Target Range¹</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>24%</td> <td>9-39%</td> </tr> <tr> <td>Alternatives²</td> <td>11%</td> <td>0-26%</td> </tr> <tr> <td>Real assets³</td> <td>17%</td> <td>2-32%</td> </tr> <tr> <td>Fixed interest</td> <td>30%</td> <td>15-45%</td> </tr> <tr> <td>Cash</td> <td>18%</td> <td>3-33%</td> </tr> </tbody> </table>	Asset	Strategic Asset Allocation ¹	Target Range ¹	Equities	24%	9-39%	Alternatives ²	11%	0-26%	Real assets ³	17%	2-32%	Fixed interest	30%	15-45%	Cash	18%	3-33%	 <table border="1"> <thead> <tr> <th>Asset</th> <th>Strategic Asset Allocation¹</th> <th>Target Range¹</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>42%</td> <td>27-57%</td> </tr> <tr> <td>Alternatives²</td> <td>13%</td> <td>0-28%</td> </tr> <tr> <td>Real assets³</td> <td>17%</td> <td>2-32%</td> </tr> <tr> <td>Fixed interest</td> <td>20%</td> <td>5-35%</td> </tr> <tr> <td>Cash</td> <td>8%</td> <td>0-23%</td> </tr> </tbody> </table>	Asset	Strategic Asset Allocation ¹	Target Range ¹	Equities	42%	27-57%	Alternatives ²	13%	0-28%	Real assets ³	17%	2-32%	Fixed interest	20%	5-35%	Cash	8%	0-23%
Asset	Strategic Asset Allocation ¹	Target Range ¹																																				
Equities	24%	9-39%																																				
Alternatives ²	11%	0-26%																																				
Real assets ³	17%	2-32%																																				
Fixed interest	30%	15-45%																																				
Cash	18%	3-33%																																				
Asset	Strategic Asset Allocation ¹	Target Range ¹																																				
Equities	42%	27-57%																																				
Alternatives ²	13%	0-28%																																				
Real assets ³	17%	2-32%																																				
Fixed interest	20%	5-35%																																				
Cash	8%	0-23%																																				
Standard Risk Measure⁴	<p>Risk band: 3</p> <p>Risk label: Low to medium</p> <p>●●●○○○○</p> <p>Estimated number of negative annual returns over any 20 year period:</p> <p>1 to less than 2</p>	<p>Risk band: 4</p> <p>Risk label: Medium</p> <p>●●●●○○○</p> <p>Estimated number of negative annual returns over any 20 year period:</p> <p>2 to less than 3</p>																																				

1. These numbers have been rounded.

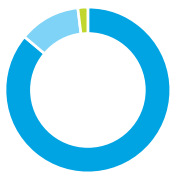

2. Alternatives are classified as part growth and part defensive.

3. Real assets are classified as part growth and part defensive.

4. 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. The Standard Risk Measure 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. We assess the Standard Risk Measure for each of the investment options based on the option's strategic asset allocation. Members should not rely exclusively on the Standard Risk Measure and should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

	Socially Conscious	Growth (MySuper)																																				
Description	This option has a 61% ¹ allocation to growth assets. The risk of fluctuating returns is medium.	This option has a 74% allocation to growth assets. The risk of fluctuating returns is medium to high.																																				
Investment return objective	To earn an investment return of 3.25% per annum (after tax and investment expenses) above the rate of inflation over rolling 10-year periods.	To earn an investment return of 3.75% per annum (after tax and investment expenses) above the rate of inflation over rolling 10-year periods.																																				
Growth/defensive asset split	Growth 61% ¹ Defensive 39% ¹	Growth 74% Defensive 26%																																				
Most suitable for	Investors who have a medium tolerance for risk.	Investors who have a medium to high tolerance for risk.																																				
Minimum suggested investment timeframe	5-years plus	7-years plus																																				
Asset classes	 <table border="1"> <thead> <tr> <th>Asset</th> <th>Strategic Asset Allocation¹</th> <th>Target Range¹</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>42%</td> <td>27-57%</td> </tr> <tr> <td>Alternatives²</td> <td>13%</td> <td>0-28%</td> </tr> <tr> <td>Real assets³</td> <td>17%</td> <td>2-32%</td> </tr> <tr> <td>Fixed interest</td> <td>20%</td> <td>5-35%</td> </tr> <tr> <td>Cash</td> <td>8%</td> <td>0-23%</td> </tr> </tbody> </table>	Asset	Strategic Asset Allocation ¹	Target Range ¹	Equities	42%	27-57%	Alternatives ²	13%	0-28%	Real assets ³	17%	2-32%	Fixed interest	20%	5-35%	Cash	8%	0-23%	 <table border="1"> <thead> <tr> <th>Asset</th> <th>Strategic Asset Allocation</th> <th>Target Range</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>52%</td> <td>37-67%</td> </tr> <tr> <td>Alternatives²</td> <td>15%</td> <td>0-30%</td> </tr> <tr> <td>Real assets³</td> <td>18%</td> <td>3-33%</td> </tr> <tr> <td>Fixed interest</td> <td>13%</td> <td>0-28%</td> </tr> <tr> <td>Cash</td> <td>2%</td> <td>0-17%</td> </tr> </tbody> </table>	Asset	Strategic Asset Allocation	Target Range	Equities	52%	37-67%	Alternatives ²	15%	0-30%	Real assets ³	18%	3-33%	Fixed interest	13%	0-28%	Cash	2%	0-17%
Asset	Strategic Asset Allocation ¹	Target Range ¹																																				
Equities	42%	27-57%																																				
Alternatives ²	13%	0-28%																																				
Real assets ³	17%	2-32%																																				
Fixed interest	20%	5-35%																																				
Cash	8%	0-23%																																				
Asset	Strategic Asset Allocation	Target Range																																				
Equities	52%	37-67%																																				
Alternatives ²	15%	0-30%																																				
Real assets ³	18%	3-33%																																				
Fixed interest	13%	0-28%																																				
Cash	2%	0-17%																																				
Standard Risk Measure⁴	<p>Risk band: 4</p> <p>Risk label: Medium</p> <p>●●●●○○○</p> <p>Estimated number of negative annual returns over any 20 year period:</p> <p>2 to less than 3</p>	<p>Risk band: 5</p> <p>Risk label: Medium to high</p> <p>●●●●○○○</p> <p>Estimated number of negative annual returns over any 20 year period:</p> <p>3 to less than 4</p>																																				

1. These numbers have been rounded.
 2. Alternatives are classified as part growth and part defensive.
 3. Real assets are classified as part growth and part defensive.
 4. 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. The Standard Risk Measure 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. We assess the Standard Risk Measure for each of the investment options based on the option's strategic asset allocation. Members should not rely exclusively on the Standard Risk Measure and should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

	Equity Growth	Australian Shares																		
Description	This option has a 98% allocation to growth assets and a high risk of fluctuating returns.	This option has a 100% allocation to growth assets and a very high risk of fluctuating returns.																		
Investment return objective	To earn an investment return of 4.25% per annum (after tax and investment expenses) above the rate of inflation over rolling 10-year periods.	To earn an investment return of 4.25% per annum (after tax and investment expenses) above the rate of inflation over rolling 10-year periods.																		
Growth/defensive asset split	Growth 98% Defensive 2%	Growth 100% Defensive 0%																		
Most suitable for	Investors who have a high tolerance for risk.	Investors who have a very high tolerance for risk.																		
Minimum suggested investment timeframe	7-years plus	7-years plus																		
Asset classes	 <table border="1" style="margin-top: 10px;"> <thead> <tr> <th>Asset</th> <th>Strategic Asset Allocation</th> <th>Target Range</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>86%</td> <td>71-100%</td> </tr> <tr> <td>Alternatives¹</td> <td>12%</td> <td>0-27%</td> </tr> <tr> <td>Cash</td> <td>2%</td> <td>0-17%</td> </tr> </tbody> </table>	Asset	Strategic Asset Allocation	Target Range	Equities	86%	71-100%	Alternatives ¹	12%	0-27%	Cash	2%	0-17%	 <table border="1" style="margin-top: 10px;"> <thead> <tr> <th>Asset</th> <th>Strategic Asset Allocation</th> <th>Target Range</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>100%</td> <td>N/A</td> </tr> </tbody> </table>	Asset	Strategic Asset Allocation	Target Range	Equities	100%	N/A
Asset	Strategic Asset Allocation	Target Range																		
Equities	86%	71-100%																		
Alternatives ¹	12%	0-27%																		
Cash	2%	0-17%																		
Asset	Strategic Asset Allocation	Target Range																		
Equities	100%	N/A																		
Standard Risk Measure²	<p>Risk band: 6</p> <p>Risk label: High</p> <p style="text-align: center;">●●●●●○</p> <p>Estimated number of negative annual returns over any 20 year period:</p> <p>4 to less than 6</p>	<p>Risk band: 7</p> <p>Risk label: Very high</p> <p style="text-align: center;">●●●●●●●</p> <p>Estimated number of negative annual returns over any 20 year period:</p> <p>6 or greater</p>																		

1. Alternatives are classified as part growth and part defensive.
 2. 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. The Standard Risk Measure 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. We assess the Standard Risk Measure for each of the investment options based on the option’s strategic asset allocation. Members should not rely exclusively on the Standard Risk Measure and should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

Choosing and changing investment options

When you become a member of VicSuper FutureSaver, you can choose an investment option, or mix of options, with a risk and expected return profile that may suit your needs.

The default investment option is Growth (MySuper) but you may change from Growth (MySuper) to another option, or a mix of options. For further information about choosing and changing investment options, visit vicsuper.com.au

Important considerations when choosing your investment options

Here are some questions you can ask yourself when considering your investment options:

1. What are my goals and plans for retirement?
2. When do I plan to start using my super?
3. What is my risk profile?
For example, am I comfortable taking the risk of fluctuating annual returns knowing that I may achieve higher average returns in the long term?
Or would I prefer a lower risk option that may produce more consistent annual returns but lower average returns in the long term?
4. Is investing my super in a socially and environmentally responsible way important to me?

Superannuation advice from a qualified financial planner

If you would like to discuss your investment strategy and determine the best option, or mix of options, for your risk and return profile then make an appointment with one of our financial planners by visiting vicsuper.com.au/advice or calling us on (03) 9667 9200

Changing your investment options

Generally, you may change your investment option, or mix of options, on any business day (except if you have a pending investment switch or term deposit application) via VicSuper MembersOnline at vicsuper.com.au or by completing the *Change your investment options* form (V501).

When you change your investment options, your balance is determined using the following business day's unit price.

If your request is received through VicSuper MembersOnline by 11.59pm on any day, or received at our Collins Street (Melbourne) office before 4pm, it will be processed using the next business day's unit prices. You cannot make another change to your investment options (including investing in the Term Deposit Option) until your initial request has been finalised, which is generally in three business days

Cancelling your investment option request

Once submitted, you cannot cancel a change of investment option or term deposit application request.

Investing in a term deposit

We have a range of investment options, including a Term Deposit Option. You can choose from 3, 6, 9 and 12 month terms.

To commence a term deposit, you must have a minimum account balance of \$15,000 (excluding any amounts already in term deposits) and you must leave the greater of \$10,000 or 10% of your account balance invested in options other than a term deposit. This is because deductions cannot be withdrawn from a term deposit.

Each term deposit you hold must be a minimum of \$5,000 and a maximum of \$5 million.

When investing in a term deposit, it is important that you also understand the following rules and restrictions:

- You can apply for a term deposit on any business day provided you have no other term deposit application, maturity, or change of investment options pending. Term deposit applications will be effective the business day after we receive your application (however note that another two days are required to fully process the application and display it in VicSuper MembersOnline).
- The interest rates that apply to term deposits are available at vicsuper.com.au/investments and are subject to change without notice.
- The term deposits you select will receive the interest rates applicable on the business day following receipt of your correctly completed *Term deposit application* form (V504) available at vicsuper.com.au/termdeposit if received at our Collins Street (Melbourne) office before 4pm or online application via VicSuper MembersOnline (if received before 11.59pm).
- Once you submit an application for a term deposit (or any investment option), it cannot be cancelled.
- If we receive a Term Deposit application and a change of investment option request on the same day, the term deposit application will be processed first, unless you provide us with clear instructions to do otherwise. This means that your request to change investment options will not be processed until the term deposit application has been finalised, which generally takes three business days.

- On maturity, the funds in your term deposit will be transferred to the Cash Option. Another two days are required to fully process and finalise the transaction. If you wish to apply for another term deposit, you can do so by completing a new *Term Deposit application* form (V504) or apply online via VicSuper MembersOnline.
- Once funds are invested in a term deposit, you will not be able to move those funds to another investment option or make a withdrawal until after the term deposit matures and the funds have been transferred to the Cash Option.
- Early termination of a term deposit before its maturity date will only be allowed (subject to our discretion, as trustee) if a request for a payment is provided and the term deposit needs to be redeemed early in order to process the payment. An interest adjustment, in the form of a reduction in accrued interest, may apply where a term deposit is redeemed before maturity.

We retain the right not to allow a term deposit to be terminated early. In addition, we will allow early termination of a term deposit without an interest adjustment in the following circumstances:

 - Death
 - Terminal illness
 - Total and permanent disability
 - Permanently incapacity
 - Financial hardship
 - Compassionate grounds (as determined by the ATO).
- If there are insufficient funds in an investment option from which you have elected to withdraw money to invest in a term deposit, the remaining required funds will be withdrawn from the investment option with the highest available balance.
- If there are insufficient funds in your account to cover a term deposit application (eg. due to a drop in the value of the account between the date of application and the date the term deposit becomes effective), the term deposit application will not be approved.
- A term deposit is an illiquid investment because, by its nature, it requires an investment for a fixed term. We will not generally be able to rollover or transfer a benefit in full to another fund, if requested, within the 30 day period ordinarily required under superannuation legislation where an investment choice has been made. Instead any non-term deposit investment options minus \$6,000 (to cover the administration fee, account-keeping fee and insurance premiums, if applicable) will generally be transferred to another fund nominated within the three business days and term deposit investments and any remaining non-term deposit investments will be processed within the three business days of maturity of the term deposit.
- The maturity date of a term deposit may not be an exact number of months after the start date, due to the incidence of weekends and any public holidays during the term.

To download the *Term deposit application* form (V504), go to **vicsuper.com.au/termdeposit**

Unit prices

A new unit price is set every business day for each investment option.

Our custodian calculates the unit prices each business day based on the value of the assets in the investment option at that time. Unit prices change when the value of these assets change.

Investment fees, indirect costs and tax are factored into calculating the unit prices for each investment option (or term deposit maturity proceeds, if applicable).

Every dollar you contribute into your VicSuper FutureSaver account buys units in the investment option, or mix of options, that you have chosen. Each investment option (other than the Term Deposit Option, for which interest rates apply) has a daily unit price, which reflects the net value of the assets within the investment option.

Unit prices can go up or down, similar to share prices. A change in unit price over time is a reflection of the investment performance of the assets in the investment options.

The unit prices for each investment option are published the following business day, generally after 6pm.

For the latest unit prices and term deposit rates, go to

vicsuper.com.au/investments

When we receive a change of investment option request for your account, the unit price of the following business day will generally be applied. If we don't have enough information from you to proceed with your request, a later unit price may be used.

Withdrawals are paid using the latest available unit price at the time of payment processing.

Contributions are generally allocated within a reasonable timeframe using the unit price of the business day the contributions are processed, provided that sufficient information was supplied with the contribution to identify the payer and the recipient.

Under exceptional circumstances (such as the closure of a major share market), and in the interests of all members, the Trustee may temporarily suspend transactions and/or calculations of unit prices.

Application of unit prices

The number of units you receive depends on the investment option or mix of investment options you have chosen. The number of units you receive for a contribution is simply the dollar value of the contribution divided by the relevant unit price. For example:

Contributions

Example

If your superannuation guarantee (SG) contribution of \$100 is effective 25 May and the unit price for this date was \$0.80000, then you receive 125.00000 units.

Tax

Generally the government taxes certain contributions to super (eg SG and salary sacrifice) at 15%. The contribution tax amount for the \$100 contribution in the above example would be calculated as follows:

Tax in dollars

Contribution of \$100 x 15% tax = \$15.00

Tax in units

Tax of \$15 ÷ unit price of \$0.80000 = 18.75000 units

We generally deduct contributions tax at the time a contribution is processed. The effective date of the deduction is the same as the effective date of the contribution it relates to.

Deductions

Contribution tax is generally deducted from your account by redeeming units from the option/s you have nominated for future contributions.

Fees, insurance premiums (if applicable) and some taxes are deducted from your account by redeeming units from the option/s in proportion to the balance you have

invested in those options (excluding term deposits). All deductions are shown on your benefit statement in dollars.

Your account balance in dollars

Each member's account holds a number of units in one or more investment options. The current balance of the account is simply the number of units in each option multiplied by the current unit price for each option.

If you have one investment option, your account balance can be calculated using the formula below:

Number of units held x Current unit price = Your account balance

If you have money in two investment options, your account balance in dollars can be calculated using the formula below:

Number of units held x Current unit price = Balance in option 1
+
Number of units held x Current unit price = Balance in option 2
= Your account balance

If you withdraw your account balance, the amount you receive will be different as any fees and any applicable insurance premiums and taxes will be deducted at the time of the withdrawal.

Investment returns

You can view the investment returns for our investment options over a range of time periods at **vicsuper.com.au/investments**

Get in touch – we're here to help

Call our Member Centre

1300 366 216 (from outside Australia **+61 3 9667 9875**)

and speak to a super consultant between
8.30am and 5pm, Monday to Friday

To make an appointment to see one of our
financial planners call **(03) 9667 9200**

Send us a fax

(03) 9667 9610

Write to us

VicSuper Team
First State Super
GPO Box 89
MELBOURNE VIC 3001

Browse our website

vicsuper.com.au

Download our app

vicsuper.com.au/mobileapp

Manage your account online

Simply visit our website to login

Issued by FSS Trustee Corporation (ABN 11 118 202 672, AFSL 293340) the trustee of the First State Superannuation Scheme (ABN 53 226 460 365). This Member Guide has been prepared by FSS Trustee Corporation (referred to in this document as the 'Trustee', 'we', 'us', 'our'), the trustee of the First State Superannuation Scheme (referred to as 'First State Super' or 'the Fund'). VicSuper is a division of the Fund which includes the VicSuper FutureSaver product. The Fund is governed by a trust deed ('Trust Deed') as amended from time to time. For a copy of the Trust Deed see **vicsuper.com.au/trustdeed** or alternatively, you can contact the Member Centre on **1300 366 216**.

VicSuper FutureSaver was previously a product in the Victorian Superannuation Fund. It is now offered by the Trustee as a result of the transfer of all members and assets in the Victorian Superannuation Fund to the Fund on 1 July 2020. The Victorian Superannuation Fund no longer exists as a separate fund.

This publication contains general information only and does not take into account your specific objectives, financial situation or needs. Seek professional financial advice, consider your own circumstances and read the VicSuper FutureSaver product disclosure statement before making a decision about investing in the VicSuper FutureSaver product. Contact us to make an advice appointment. Advice is provided by State Super Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430) ('StatePlus'), our financial planning business which is wholly owned by us. You should read the StatePlus Financial Services Guide before making a decision. For more information call the Member Centre on **1300 366 216**.

The information contained in this document is given in good faith and has been derived from sources believed to be reliable and accurate. No warranty as to the accuracy or completeness of this information is given and no responsibility is accepted by the Trustee or its employees for any loss or damage arising from reliance on the information provided. If there is an inconsistency between the information in this document and the terms of the Trust Deed, the Trust Deed will prevail.