5. How we invest your money

additional guide

This statement was prepared on **1 October 2022**

The information in this document forms part of the Product Disclosure Statements of:

Vision Super Saver dated **1 October 2022**

Super Saver Australian Services Union dated **1 October 2022**

Investment options and performance

We have always taken a long-term view on investments and use external specialists to help manage our investment portfolio. You can obtain daily unit prices and updated monthly investment returns from our website or from our Contact Centre.

Your investment choice

You can invest in one or more of our Premixed options, each with asset allocations determined by us. If it suits your investment plan, you can also choose your own asset allocations using our Single sector options. You can also invest in a combination of Premixed and/or Single sector investment options. Some restrictions may apply, depending on the investment choice(s) you make.

You can also nominate which investment option you would like any withdrawals to be made from.

The default investment option (including MySuper)

If you do not make an investment choice, you will become a member of the Fund's MySuper membership category. Contributions made to your account will be invested in the Vision Super default investment option Balanced growth (which is the Fund's default investment option for its MySuper members), and any withdrawals will be made from this option. You can switch your investment option at a later stage via our website using Vision Online, or by completing the Investment Choice Election Form available from our website or our Contact Centre on 1300 300 820. If you choose to invest all of your account balance outside the default investment option Balanced growth, you will be transferred to the Fund's Choice membership category. Further information about switching, including the types of switching requests that may be made and any restrictions are outlined further below. When making an investment choice you should consider the information about fees and costs in our additional guide 6. Fees and costs – additional guide. Different investment fees apply depending on the investment options you choose.

Investment principles

All superannuation investments carry risk including (but not limited to) investment risk. More information about the risks of investing in super is set out in our additional guide **4. Risks of investing in super – additional guide** available from our website at **www.visionsuper.com.au**.

Before you select an investment option/s, you need to:

- Assess your own individual needs and objectives, and
- Work out your own attitude to investing.

The information provided in this section is general. It has been prepared without taking into account your investment objectives, personal circumstances or particular needs.

You should speak to a licensed financial planner who can help you achieve your financial goals within your own risk tolerance. Please note that the value of investments can go up and down. Past performance is not necessarily indicative of future performance.

There are four important investment fundamentals that you might want to take into account when making your investment selection:

1. Risk tolerance

Investment risk refers to the likelihood of negative returns and loss of capital over various time frames. Generally, growth assets such as shares (often called equities) are more volatile and their values may fluctuate widely, particularly over the short-term. Defensive assets, such as fixed interest and cash, are generally less volatile and fluctuate less in value than growth assets. How much volatility you are prepared to accept will depend on your own attitude to investments, your previous experiences, your investment time frame and your life expectancy (amongst other things). Your risk profile will greatly influence your investment selection and the weightings in growth versus defensive assets (asset allocations). You should consider the summary risk level shown in this guide for each of our investment options having regard to your risk profile or tolerance.

2. Risk versus return

Generally, growth assets outperform defensive assets over the long-term, but have a higher degree of risk (likelihood and extent of negative returns). Defensive assets generally provide a lower rate of return, but are less risky, and historically less volatile. Further information about balancing risk and return is outlined later in this guide.

3. Diversification

Diversification is a method of reducing investment risk. It means spreading your investments both across and within asset classes. Generally, the principle is that the more you diversify, the more you are able to reduce investment risk. However, it is important to understand that there is a level of risk with all investments and you cannot diversify away market risk (risk that affects the market as a whole). Our pre-mixed options provide a degree of diversification across asset classes and the underlying investments. By their nature, single sector options are not diversified across different asset sectors but employ diversification in the underlying investments, with the Innovation and disruption option being the least diversified because its focus is on a small number of companies that use technology in an innovative way.

4. Timeframe to invest

Superannuation is generally seen as a long-term investment. When you are considering your investment approach, the time frame for investing is an important consideration. Generally, investment options such as the Cash option offer more stable returns over short-term time frames. Conversely, riskier investment options (such as the Growth option) tend to be more volatile over such periods and provide higher returns over the long term. Reflecting this, riskier options have longer minimum investment time frames. In this document, guidance on the minimum investment time frame is provided for each investment option. More information about the principles of investing and the characteristics of the various asset classes can be found on our website, or by calling our Contact Centre.

Our approach to ESG

For each investment option, we set return and risk objectives, as detailed in this document. We try to incorporate environmental, social and governance (ESG) considerations into the investment decision-making processes in accordance with our ESG Policy **www.visionsuper.com.au/invest/esg/our-esg-policy**. We believe that this approach will help support long-term investment performance and enhance risk management. This applies to all asset classes, but tends to have more relevance to the listed equity and debt asset classes.

We currently are a signatory and member of a range of industry organisations that promote the consideration of ESG factors by the superannuation industry, including the Principles for Responsible Investment (PRI), the Australian Council of Superannuation Investors (ACSI), Glass Lewis and the Workforce Disclosure Initiative (WDI). We are a support investor to the Global Investor Statement to Governments on the Climate Crisis, and a support investor of the Climate Action 100+ initiative (an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change).

We vote at meetings of our direct listed equity shareholdings according to our ESG Policy **www.visionsuper.com.au/invest/esg/our-esg-policy**, Proxy voting policies and guidelines **www.visionsuper.com.au/proxy-voting** and our Stewardship Statement **www.visionsuper.com.au/invest/esg/our-esg-policy**. Issues we vote on include the election of directors, board structure, executive remuneration and incentive plans, and motions related to ESG considerations. When we have concerns about a company in relation to a proposal, we may choose not to support that proposal if we form the view that it is not in the best financial interests of members.

When searching for new (or reviewing existing) active investment managers, our due diligence includes an assessment of how ESG risks are incorporated into the investment process. The investment managers are asked to specify the resources they have available to analyse ESG risks, including personnel and their expertise, and engagement with companies and external research services. We may seek to incorporate specific guidelines or constraints in our contracts with our investment managers.

We have determined that we will not invest in companies at any level of revenues that are directly involved in the manufacture or production of controversial weapons such as land mines, cluster bombs or nuclear weapons. Tobacco producers are excluded in accordance with the terms of the Tobacco Free Finance Pledge. We will also not invest in companies that produce and derive revenues from fossil fuels (subject to a materiality threshold of 25% of company revenues) up to our divestment caps.

Our exclusions for each investment manager are subject to a cap of 2% of emerging market equities, 2% of Australian equities and 5% of global market equities ex-Australia as a percentage of the benchmark of the relevant asset class. Please refer to our ESG Policy for further detail on how we manage divestments and exclusions.

Across the Fund, we have reduced the carbon exposure for our indexed and enhanced indexed listed equity investments (which represent about half our listed equities exposure), versus their relevant benchmarks.

The indexed component of our Australian equities portfolio is managed to the ASX100 benchmark. We instruct our manager to target a carbon intensity (weighted average) reduction of at least 25% and a reduction in carbon emissions of at least 35% compared to the benchmark.

The enhanced indexed component of our international equities portfolio is managed to the MSCI All Countries World ex Australia Index and calculated in Australian dollars. We instruct our manager to target a carbon intensity reduction of 70% and a reduction in fossil fuel reserves of 50% compared to the benchmark.

In relation to actively-managed equity portfolios, our Australian small companies manager has been instructed to reduce the portfolio carbon intensity relative to its standard model portfolio.

More information about our approach to ESG is available at:
www.visionsuper.com.au/invest/esg

Index investing and active investing

Index investing involves creating and maintaining a portfolio that is very similar to that of a market in order to achieve a return that is close to the market's return. A key advantage of this approach is low fees. The asset classes within the Balanced low cost option are invested using an index approach so that the option has low investment fees. Active investing involves maintaining a portfolio that is different to that of a market with the aim of outperforming it.

Your strategy

An important part of successful superannuation investing is to set a strategy for the long-term and regularly monitor investment performance to ensure it is meeting your personal objectives. Before making any decisions about investing your super, you should seek advice from a licensed financial adviser.

Switching

How to make an investment switch?

You can switch between investment options via our website using Vision Online, via the Vision Super app, or by supplying a valid original Investment Choice Election Form which is available from our website or our Contact Centre. You can switch some or all of your account balance by nominating percentages of your account balance.

A valid original request means that the request form is signed and the total investment allocation across the selected investment options adds up to 100%. A duly completed form can be submitted by completing a paper switching form or completing a request online in our secure member portal or in the Vision Super app.

When can investment switches be made?

For investment options other than the Property and Infrastructure options, investment switching may occur at any time (subject to processing requirements).

When investing in the **Property and/or Infrastructure** options, restrictions apply to when, and how much, you can switch into, or from, those investment options. These restrictions are as follows.

- Trading windows apply; you will only be able to switch into or out of the Property and/or Infrastructure options at certain times. These windows will be the middle months of each quarter, that is, you can switch into or out of these options in the months of February, May, August and November. These trading windows are subject to change depending on markets and there may be deferrals or delays imposed on the trading windows, or the trading windows may be shortened.
- You are only permitted to switch amounts already held in your account balance; you cannot make an election for future transactions (contributions or withdrawals) for these options.
- You can only invest a maximum of 25% of your total accumulation balance (as at the date of your switch) in each of these options. The maximum amount is subject to change.

Up to date information about the restrictions associated with the Property and Infrastructure options will be made available on the website at **www.visionsuper.com.au/invest**

Nomination of payment regarding withdrawals

Payments are made by withdrawing or redeeming units in the investment option(s) nominated by you for withdrawals up to the value of your payment amount. If you do not nominate a particular option or during the year the balance of the option you have nominated is insufficient to make the payment as you have instructed, the payment will be made from another investment option applicable to your account as selected by the Trustee.

Types of switching requests that may be made?

Subject to any applicable restrictions, you can switch investment options in relation to some or all of your account balance, future contributions or both. When (or after) you make an investment choice which involves investing in more than one investment option, you can also nominate which investment option (other than the Property or Infrastructure option) you would like any withdrawals to be made from.

If you nominate one or more investment options for your future contribution and withdrawal transactions (future transaction options), any contributions or withdrawals made after the effective date of your election will be credited to or deducted from your future transaction option/s, unless express written instructions specifying otherwise are provided prior to the transactions being processed. Any nomination you make for your future transactions does not apply to all transactions. For example, administration fees are deducted proportionately across all your account's investments at the time of processing the fee deduction (however this may change if an investment option is frozen).

Please note: where you have your benefit invested in multiple investment options and make a switch to one or more of those options while also leaving one unchanged, there will be small movement of units in the option you made no change to. This occurs as part of the switching process to maintain your percentage allocation in that option at the time of the switch instruction. For members invested in the Property and Infrastructure options this means there may be instances where there are small movements in your unit holdings outside of the prescribed trade windows.

Important information about restrictions applicable to the Property and Infrastructure options

Members can only choose the Property and/or Infrastructure option if they understand and agree that:

> Vision Super is able to freeze one or both investment options for a period of up to two years without prior notice which means that Vision Super can reject or suspend withdrawals (including transfers or rollovers) and switching requests relating to the frozen option during this period where Vision Super considers this necessary or appropriate, unless a withdrawal exception applies;

> Switching into and from these investment options can only occur during specified trading windows, which are outlined on the previous page. Switching requests outside these trading windows may take longer than 30 days to process (but will be processed as soon as practicable);

> If the Property and/or Infrastructure option is frozen, members invested in the frozen option (or their beneficiaries) will only be able to access their benefits (in cash or by transfer/rollover to another fund) in the circumstances listed below (referred to as withdrawal exceptions). However the withdrawal request may take longer than 30 days to process:
>
> - Permanent Incapacity
> - Terminal illness
> - Severe financial hardship
> - Compassionate grounds
> - Death
> - Payment of a Family Law split
> - Payments to the ATO (for example Division 293 tax).

Property and Infrastructure options are subject to these restrictions as these are illiquid investments due to the nature of the underlying investments which are rarely traded and/or less frequently valued; there can be significant events which further impact valuation and there can be market stress events that may result in the option(s) being frozen and/or further restrictions.

Should these options be frozen at any time, we will communicate to members who are invested in the relevant option as soon as practicable.

Vision Super reserves the right to close either or both these investment option, or vary the terms and conditions (including restrictions) applicable to these options, at any time. This may occur without prior notification or the member's consent.

Commencement of a Vision Income Stream

Where you are invested in the Property and/or Infrastructure investment options, you are unable to transfer that portion of your benefits to your Vision Income Stream. If you want to transfer amounts invested in the Property and/or Infrastructure options to a Vision Income Stream, then you can switch these investments to an alternative investment option, during one of the specified trading windows prior to transfer to a Vision Income Stream. You can call our Contact Centre on 1300 300 820 for more information and how this applies to you.

Are there any switching costs?

No switching fees will apply. Buy-sell spreads are currently nil for all Vision Super investment options. This is based on the current level and pattern of member transactions and the current level of transaction costs incurred by our Investment managers. If circumstances change, Vision Super may need to change buy-sell spreads to ensure it is able to more appropriately recover the transaction costs that result from member transactions. For more information on transaction costs and buy-sell spreads refer to our additional guide titled **6. Fees and Costs – additional guide**.

How are investment switches processed?

Investment switches are processed on the basis of the unit prices of the relevant investment options declared on the next business day after the receipt of the switching request, unless there is a delay with processing due to abnormal market conditions or system failures or an investment option is frozen. Vision Super will use its best endeavours to declare the unit prices as soon as possible. Further information about unit prices is outlined below.

It is important to note that unit prices for the Property and Infrastructure options are expected to be lumpy, that is, the movements in unit prices are more likely to be large infrequent movements, rather than continuous adjustments, reflecting the nature of the underlying investments.

Frequent switching between investment options and trying to second-guess the market can be risky, particularly for high-risk investment options designed to be held in the long-term.

We recommend that you obtain financial advice before making any decisions about switching between investment options.

You should be aware that the Trustee reserves the right to alter the processing of switching requests either generally or in relation to one or more investment options. For example if the Trustee considers that switching may disadvantage other members or have other adverse implications for the Fund or a particular investment option. This may occur without prior notification to you, or your consent.

Derivatives

Derivatives are investments where investment values are based on one or more underlying physical securities. For instance, the value of a share option is based on the price of the underlying share.

Vision Super permits the selective use of derivatives as part of its investment strategy in any of its investment options. Derivatives enable us to gain exposure to or hedge risk by increasing or decreasing exposure to derivative securities without having to buy or sell underlying physical securities.

Unit prices

When you invest with Vision Super, your money buys a number of units in each of your nominated or default investment options. These units are purchased using a 'buy' price. Where transaction costs are recovered through a buy-sell spread, the 'buy' price is calculated by taking the value of the unit, that is known as the 'mid' price, and then applying the cost of the transaction to that price. The same principle is applied to the prices when you sell units (e.g. when you switch options or withdraw money). This is known as the 'sell' price and reflects, if a buy-sell spread is applied, the cost of that transaction. Any transaction on your account that involves the buying (e.g. contributions, roll-ins) or selling units (e.g. withdrawals, deduction of fees and insurance premiums) is usually processed using the latest unit price as described below.

Your account balance is always based on the unit 'sell' price, which is the amount you would receive for the units you hold in Vision Super investment options should we make a benefit payment to you or rollover your benefits to another fund.

Unit prices go up and down according to investment performance and the unit price of an investment option will fluctuate to reflect investment earnings (which can be positive and/or negative). The extent to which unit prices fluctuate may depend on the investment option you choose, for example, the Property and Infrastructure options may fluctuate less often and to a greater degree than other options. These movements are ultimately reflected in your account balance.

Based on the current level and pattern of member transactions and the current level of transaction costs the buy and sell prices are currently the same and buy-sell spreads are nil. If circumstances change, Vision Super may need to change buy-sell spreads to ensure it is able to more appropriately recover the transaction costs that result from member transactions (as per the guide titled **6. Fees and costs – additional guide**).

Our latest unit prices are usually updated on our website late on the next business day. The publication of unit prices might be delayed as a consequence of abnormal market conditions or system failures or if an investment option is frozen. In such circumstances, Vision Super will use its best endeavours to publish unit prices as soon as possible. No unit prices are struck on weekends and Victorian public holidays.

The unit prices are calculated after the reserving margin, and an estimate of investment fees and taxes on investment earnings are taken out. These estimates will be adjusted as information becomes available for the calculation of future prices. For more information on how fees and costs (including transaction costs and buy-sell spreads) affect you, please refer to our additional guide titled **6. Fees and costs – additional guide**.

What happens if we make a mistake when calculating unit prices?

Although we have controls in place to prevent unit pricing errors, occasionally they may occur. Vision Super generally follows industry practice if an error is made. Compensation may be paid depending on the circumstances and other relevant factors. For exited members, compensation below $20 will not be paid. The amount of compensation will be determined on a case by case basis and a higher threshold may apply.

Retirement bonus

When you are transferring from this product to a Vision Super account based pension other than a Vision Non-commutable account pension (i.e. a transition to retirement pension), you may be entitled to a Retirement bonus if you satisfy the relevant terms and conditions which include consideration of the investment options that you are invested in. Refer to **www.visionsuper.com.au/retire/bonus** for further details including the relevant terms and conditions.

Our Premixed options

Our Premixed options cover a wide range of risk levels and include exposure to multiple asset classes. Each option has return and risk investment objectives, benchmark allocation and indicative ranges, which are described below. You have a choice of Premixed options: Growth, Balanced low cost, Balanced growth, Balanced and Conservative.

Please note that if you are a new member and don't make an investment choice, your account will be invested in the Balanced growth investment option. This investment option is the default investment option for the MySuper membership category. If you choose to invest all of your account outside the default Balanced growth option, you will be considered a member of the Choice membership category.

Our Premixed option profiles allow you to understand the investment objectives and strategies behind each portfolio. An explanation of the asset classes in which each option invests appears at the end of this guide. The risk and return characteristics associated with each asset class are considered in the risk profiles associated with each Premixed option.

It should be noted the investment objectives are not forecasts or predictions. Vision Super designs the investment strategy of each option with the aim of achieving the option's investment objective.

It should also be noted that the value of investments can go up and down. Past performance is no indication of future performance.

Our Single sector options

Our Single sector options also offer a range of risk levels. They provide access to sectors that are predominately made up of an individual asset class or a small number of similar asset classes. Single sector options give you the ability to invest solely in an individual asset class, or choose more than one single sector option to create your own mixed portfolio. Single sector options can also be used in combination with Premixed options.

You have a choice of different Single sector options: Just shares, Innovation and disruption, Australian equities, International equities, Property, Infrastructure, Diversified bonds and Cash.

You should proceed cautiously when investing in Single sector options. You should objectively consider your familiarity with the individual asset classes, investments within the asset class, economic cycles and their impacts (positive and negative) on investment markets and, in particular, the performance of asset classes. You should also take into account switching and withdrawal restrictions applicable (or that may become applicable) to the Property and Infrastructure options.

If you choose your own asset allocation, remember that your actual asset allocation will change depending on the performance of each asset class in which you have invested. Reflecting this, you should review your asset allocation after large market movements and at least once a year to ensure it is still consistent with your objectives and to ensure you are sufficiently diversified across asset classes. You should have a properly developed investment strategy and investment objective.

We recommend that you seek financial advice if you need assistance with this.

Please note that if you are a new member and don't make an investment choice, your account will be invested in the default Balanced growth option – the investment option for the Fund's MySuper membership category. However, if you choose to invest all of your account outside the default Balanced growth option, you will be considered a member of the Choice membership category.

The **Single sector options** aim to achieve returns that meet their respective investment objectives. The performance of these Single sector options is measured against recognised investment benchmarks. Single sector profiles include the investment objectives and strategies behind each portfolio. An explanation of the asset classes in which each option invests appears at the end of this guide.

It should be noted the investment objectives are not forecasts or predictions. Vision Super designs the investment strategy of each option with the aim of achieving the option's investment objective.

It should also be noted that the value of investments can go up and down. Past performance is no indication of future performance.

Benchmark allocations and indicative ranges

The charts describing asset allocations set out in this Guide are the long-term, strategic asset allocations for the Premixed options. Actual asset allocations may vary from the benchmark allocations within indicative ranges from time to time depending on market conditions and fund cash flows. In particular, we may alter asset allocations within the indicative ranges to manage investments through changing market conditions, including adverse or abnormal market conditions.

Comparing performance

You can compare Vision Super's investment performance against published surveys like the SuperRatings industry survey (available at **www.superratings.com.au**). Investment performance for accumulation accounts is net of investment costs and taxes on investment earnings. However, if you are comparing our performance with that of other funds, it is important to ensure you take into account the underlying asset allocations, the objectives and the risks of the investment options you are comparing.

Any variation in these factors can result in significant differences in the performance of the investment options you are considering.

You should also be aware that past performance is no indication of future performance for Vision Super or any other superannuation fund.

Information about Vision Super's investment performance is available from **www.visionsuper.com.au.**

Investment objectives

The investment objectives for our Premixed Investment options aim to earn investment returns higher than the inflation rate. Inflation is measured by the Consumer Price Index (CPI) published by the Australian Bureau of Statistics (ABS), which indicates the average change in prices paid for a particular 'basket' of goods and services.

For most single sector options, the investment objective is to outperform industry-recognised market indices, relevant to the specific sector. For example, for equities we use stock exchange indices, as this gives a measure of the broader market performance. The Property and Infrastructure options have CPI plus objectives.

The investment objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.

Strategy

While the investment objective states the investment aim, the strategy provided for each option is a guide on how we intend to go about achieving the objective. As noted above, these objectives are not predictions or forecasts, but merely represent a performance measure for each strategy.

Standard Risk Measure

The summary risk level for each option is based on a Standard Risk Measure which is, in turn, based on industry guidance to allow members to compare investment options that are estimated 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 state what the size of a negative return, or the potential for a positive return, could be. It is based on a view of the future economic environment which may not be realised. Further, it does not take into account the impact of administration fees and tax on the predicted negative returns.

You should ensure that you are comfortable with the risks and potential losses associated with your chosen investment option/s and if necessary, you should seek professional financial advice. Neither the Trustee nor any employee or Director of the Trustee guarantee the performance of the Fund.

Premixed options

Growth

Most suitable for

Members who are prepared to accept a more aggressive asset allocation than the 'Balanced growth' option. This option has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy

To invest in a diversified portfolio with a high exposure to equities.

Investment objective

This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 3.5% per annum over rolling 15-year periods.

Asset classes

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

Asset Class	Allocation	Indicative Range
Australian equities	32.5%	22.5 – 42.5%
International equities	42.5%	32.5 – 52.5%
Opportunistic growth	0%	0 – 15%
Infrastructure	12%	2 – 22%
Property	8%	0 – 18%
• *Listed property*	*2.5%*	*0 - 12.5%*
• *Unlisted property*	*5.5%*	*0 - 15.5%*
Alternative debt	0%	0 – 10%
Diversified bonds	0%	0 – 10%
Cash	5%	0 – 20%
Other	0%	0 - 10%

Summary risk level

High.

Estimated frequency of a negative annual return

4 to less than 6 in 20 years.

Minimum investment time frame

8 years.

Retirement bonus

Members invested in this option may be eligible for the Retirement bonus if certain terms and conditions are satisfied. See the following webpage for further details: **www.visionsuper.com.au/retire/bonus**

Balanced low cost

Most suitable for

Members who are prepared to accept a more aggressive asset allocation than the 'Balanced' option, and are seeking a lower cost investment, and have an interest in lower carbon emission investments. This option has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy

To invest in a diversified portfolio with a moderate exposure to cash and diversified bonds, and a higher exposure to equities, while providing a tilt away from carbon-intensive companies in Australia and international equities versus the applicable benchmark.

Investment objective

This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 2.5% per annum over rolling 15-year periods.

Asset classes

The long term strategic asset allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

Asset Class	Allocation	Indicative Range
Australian equities	27%	17 – 37%
International equities	33%	23 – 43%
Infrastructure	5%	0 – 20%
Property	10%	0 – 20%
• *Listed property*	*5%*	*0 - 20%*
• *Unlisted property*	*5%*	*0 - 20%*
Diversified bonds	15%	2.5 – 22.5%
Cash	10%	0 – 20%
Other	0%	0 - 10%

Summary risk level

High

Estimated frequency of a negative annual return

4 to less than 6 in 20 years.

Minimum investment time frame

7 years.

Retirement bonus

Members invested in this option may be eligible for the Retirement bonus if certain terms and conditions are satisfied. See the following webpage for further details: **www.visionsuper.com.au/retire/bonus**

The Balanced low cost option differs from the other investments in three ways:

> **Simpler option with fewer asset classes**
> **Index-based equities management**
> **100% of the equity allocation is managed to tilt away from high carbon emitters.**

Balanced growth (including the MySuper default option)

Most suitable for

Members who are prepared to accept a more aggressive asset allocation than the 'Balanced' option. This option has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy

To invest in a diversified portfolio with some exposure to cash and diversified bonds, and a higher exposure to equities.

Investment objective

This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 3.0% per annum over rolling 15-year periods and to outperform (after fees and taxes) the median default superannuation fund over rolling three year periods, assessed using the SR50 MySuper Index from the SuperRatings Fund Crediting Rate Survey.

Asset classes

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

Asset Class	Allocation	Indicative Range
Australian equities	24.5%	14.5 – 34.5%
International equities	32%	22 – 42%
Opportunistic growth	0%	0 – 15%
Infrastructure	11%	1 – 21%
Property	8%	0 – 18%
• *Listed property*	*2.5%*	*0 - 12.5%*
• *Unlisted property*	*5.5%*	*0 - 15.5%*
Alternative debt	8.5%	0 – 18.5%
Diversified bonds	10%	0 – 20%
Cash	6%	0 – 21%
Other	0%	0 - 10%

Summary risk level

High.

Estimated frequency of a negative annual return

4 to less than 6 in 20 years.

Minimum investment time frame

6 years.

Retirement bonus

Members invested in this option may be eligible for the Retirement bonus if certain terms and conditions are satisfied. See the following webpage for further details: **www.visionsuper.com.au/retire/bonus**

Balanced

Most suitable for

Members that have a moderate to high risk tolerance.

Strategy

To invest in a diversified portfolio with exposure to cash, diversified bonds, property and equities.

Investment objective

This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 2.0 % per annum over rolling 15-year periods.

Asset classes

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

Asset Class	Allocation	Indicative Range
Australian equities	15.5%	5.5– 25.5%
International equities	22%	12 – 32%
Opportunistic growth	0%	0 – 10%
Infrastructure	10%	0 – 20%
Property	7.25%	0 – 17.3%
• *Listed property*	*2.25%*	*0 - 12.3%*
• *Unlisted property*	*5%*	*0 - 15%*
Alternative debt	13%	3 – 23%
Diversified bonds	15.5%	5.5 – 25.5%
Cash	16.75%	1.8 – 31.8%
Other	0%	0 - 10%

Summary risk level

Medium to high.

Estimated frequency of a negative annual return

3 to less than 4 in 20 years.

Minimum investment time frame

5 years.

Retirement bonus

Members invested in this option may be eligible for the Retirement bonus if certain terms and conditions are satisfied. See the following webpage for further details: **www.visionsuper.com.au/retire/bonus**

Conservative

Most suitable for

Members who wish to select a less aggressive asset allocation in exchange for more stability and security.

Strategy

To invest in a diversified portfolio with a higher exposure to cash and diversified bonds, and a lower exposure to equities.

Investment objective

This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 1.0% per annum over rolling 15-year periods.

Asset classes

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

Asset Class	Allocation	Indicative Range
Australian equities	6.5%	0 – 16.5%
International equities	10%	0 – 20%
Opportunistic growth	0%	0 – 10%
Infrastructure	10%	0 – 20%
Property	7.25%	0 – 17.3%
• *Listed property*	*2.25%*	*0 - 12.3%*
• *Unlisted property*	*5%*	*0 - 15%*
Alternative debt	13.5%	3.5 – 23.5%
Diversified bonds	15.5%	5.5 – 25.5%
Cash	37.25%	22.3 – 52.3%
Other	0%	0 - 10%

Summary risk level

Low to medium.

Estimated frequency of a negative annual return

1 to less than 2 in 20 years.

Minimum investment time frame

4 years.

Retirement bonus

Members invested in this option may be eligible for the Retirement bonus if certain terms and conditions are satisfied. See the following webpage for further details: **www.visionsuper.com.au/retire/bonus**

Single sector options

Just shares

Most suitable for

Members who are prepared to accept a more aggressive asset allocation than the 'Growth' option. This option has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy

To invest in a premixed portfolio of Australian and international equities, with allocations to both active and index managers.

Investment objective

This option aims to outperform (after fees and before taxes) over rolling 15-year periods:

> 45% S&P/ASX 300 Accumulation Index and
> 55% MSCI All Countries World ex Australia Net Dividends Index, unhedged.

Asset classes

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

Asset Class	Allocation	Indicative Range
Australian equities	45%	35 – 55%
International equities	55%	45 – 65%

Please note that from time to time the investment managers may hold cash.

Summary risk level

Very high.

Estimated frequency of a negative annual return

6 or greater in 20 years.

Minimum investment time frame

12 years.

Retirement bonus

Members invested in this option may be eligible for the Retirement bonus if certain terms and conditions are satisfied. See the following webpage for further details: **www.visionsuper.com.au/retire/bonus**

Innovation and disruption

Most suitable for

Members who are prepared to accept an aggressive asset allocation which has the potential of providing higher returns, but also increases the risk of sizable negative returns. Members should be comfortable with the risks associated with investing in emerging or developing technologies.

Strategy

To invest in high growth companies overseas that are disruptive and innovative within their industry. These companies generally use technology in various forms to power their growth. The companies are usually listed on one or more overseas stock exchanges however there will also be an exposure to unlisted assets in the option.

Investment objective

This option aims to outperform (after fees and before taxes) the MSCI All Countries ex-Australia Net Dividends Index, unhedged over rolling 15-year periods.

Asset class

100% International equities.

Please note that from time to time the investment managers may hold cash.

Summary risk level

Very high.

Estimated frequency of a negative annual return

6 or greater in 20 years.

Minimum investment time frame

15 years.

Retirement bonus

Members invested in this option may be eligible for the Retirement bonus if certain terms and conditions are satisfied. See the following webpage for further details: **www.visionsuper.com.au/retire/bonus**

Innovation and disruption

This option seeks to invest in companies that are expected to grow relatively quickly over the medium term. It is one of our least diversified single sector options. Our single sector options are, by nature, not diversified across asset class sectors, but many are diversified in the underlying investments.

This option is currently invested with one active manager. This may change in the future if additional managers are needed and fit with the option's strategy. The option is typically unhedged but from time to time this may change depending on our assessment of likely currency movements.

The current manager invests in a small number of companies that are expected to experience strong earnings growth over the medium term. In general, companies in the portfolio utilise innovative techniques in an attempt to achieve sustainable, above market growth. For example, companies that use technology in various forms to power their growth. A proportion of the companies in the portfolio will be illiquid. Over the long-term, this proportion is projected to be around 10%. The illiquid allocation consists of unlisted growth companies, many of which are expected to list.

Australian equities

Most suitable for

Members who are prepared to accept an aggressive asset allocation which has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy

To invest in Australian companies usually listed on the Australian Stock Exchange (ASX) with allocations to both active and index managers.

Investment objective

This option aims to outperform (after fees and before taxes) the S&P/ASX 300 Accumulation Index over rolling 15-year periods.

Asset classes

100% Australian equities.

Please note that from time to time the investment managers may hold cash.

Summary risk level

Very high.

Estimated frequency of a negative annual return

6 or greater in 20 years.

Minimum investment time frame

12 years.

Retirement bonus

Members invested in this option may be eligible for the Retirement bonus if certain terms and conditions are satisfied. See the following webpage for further details: **www.visionsuper.com.au/retire/bonus**

International equities

Most suitable for

Members who are prepared to accept an aggressive asset allocation which has the potential of providing higher returns, but also increases the risk of a negative return.

Strategy

To invest in overseas companies usually listed on one or more overseas stock exchanges, with allocations to both active and index managers.

Investment objective

This option aims to outperform (after fees and before taxes) the MSCI All Countries World ex Australia Net Dividends Index, unhedged over rolling 15-year periods.

Asset classes

100% international equities.

Please note that from time to time the investment managers may hold cash.

Summary risk level

Very high.

Estimated frequency of a negative annual return

6 or greater in 20 years.

Minimum investment time frame

12 years.

Retirement bonus

Members invested in this option may be eligible for the Retirement bonus if certain terms and conditions are satisfied. See the following webpage for further details: **www.visionsuper.com.au/retire/bonus**

Property

Most suitable for

Members who are prepared to accept a more aggressive asset allocation than the 'Balanced growth' option. Members should be comfortable with the risks associated with investing across a range of property sectors. Members should note that this option invests in rarely traded assets and is not suitable for a short term investment horizon.

Strategy

To invest in a portfolio of property, predominantly located in Australia. This is through unlisted property funds which invest in office, retail and industrial properties, with small allocations to healthcare and education properties. The property funds used will generally target a moderate level of debt funding. Investment is primarily in existing buildings, but may include some development projects. This option has the capacity to invest in listed real estate vehicles and may also include cash allocations from time-to-time.

Investment objective

This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 2.5% per annum over rolling 15-year periods.

Asset classes

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

Asset Class	Allocation	Indicative Range
Unlisted property	100%	90 – 100%
Cash	0%	0 – 10%

Please note that from time to time this option may hold cash for liquidity purposes, and investment managers may also hold cash.

Summary risk level

High.

Estimated frequency of a negative annual return

4 to less than 6 in 20 years.

Minimum investment time frame

8 years.

Retirement bonus

Member balances invested in this option are NOT eligible for the Retirement bonus.

Property and Infrastructure options

Property and Infrastructure options commenced 1 October 2020 and have certain restrictions given the unlisted nature of the underlying vehicles in these options, meaning pricing is less frequent. Vision Super will issue daily unit prices for these options but expect movements to be lumpy (that is, larger and more infrequent) due to the nature of the investments.

These options have trading windows to help ensure fairness between our members. Generally, members can only switch in and out of these options or withdraw monies from these options (including by way of transfer or rollover) during the months of February, May, August and November. See pages 3 and 4 for more information.

These options may be frozen to switches or withdrawals at any time for up to two years to help ensure equitable treatment for all members.

These options cannot be transferred to your Vision Income Stream.

If you want to transfer amounts invested in the Property and/or Infrastructure options to a Vision Income Stream, then you can switch these investments to an alternative investment option, during one of the specified trading windows prior to transfer to a Vision Income Stream.

Infrastructure

Most suitable for

Members who are prepared to accept a more aggressive asset allocation than the 'Balanced growth' option. Members should be comfortable with the risks associated with investing in infrastructure assets. These assets typically provide essential services (for example, airports).

Strategy

To invest in a portfolio of Australian and global infrastructure assets. This is through unlisted infrastructure funds which invest in a diverse range of infrastructure sectors such as electricity distribution networks, airports, seaports, pipelines, toll roads, water utilities and other areas. Typically the assets will be equity investments and the average gearing level is moderate, but ranges from low to high depending on the asset. Investment is primarily in operating assets, but may include some development projects. This option has the capacity to invest in listed infrastructure and may include cash allocations from time-to-time.

Investment objective

This option aims to outperform (after fees and taxes) the rate of increases in inflation as measured by the CPI by 3.5% per annum over rolling 15-year periods.

Asset classes

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

Asset Class	Allocation	Indicative Range
Infrastructure	100%	90 – 100%
Cash	0%	0 – 10%

Please note that from time to time this option may hold cash for liquidity purposes, and investment managers may also hold cash.

Summary risk level

High.

Estimated frequency of a negative annual return

4 to less than 6 in 20 years.

Minimum investment time frame

8 years.

Retirement bonus

Member balances invested in this option are NOT eligible for the Retirement bonus.

Diversified bonds

Most suitable for

Members who wish to select a less aggressive asset allocation in exchange for more stability and security.

Strategy

To invest across a range of fixed interest securities in Australia and overseas.

Investment objective

This option aims to outperform (after fees and before taxes) over rolling 5-year periods:

- 50% Bloomberg Ausbond Composite All Maturities Bond Index and
- 50% FTSE World Government Bond Index ex Australia (hedged in AUD)

Asset classes

The long term strategic asset class allocation is shown below, together with the indicative ranges within which the actual allocation for each asset class may vary from time to time:

Asset Class	Allocation	Indicative Range
Diversified bonds	100%	80 – 100%
Alternative debt	0%	0 – 10%
Cash	0%	0 – 10%

Summary risk level

As a result of the risk of high inflation over the medium term, the Summary risk level is classified as High reflecting the estimated frequency of a negative annual return. While the Summary risk level is the same as that for options such as Growth and Balanced growth, the risk of a materially negative annual return for the Diversified bonds option is much lower than for those other options.

Estimated frequency of a negative annual return

4 to less than 6 in 20 years. Given that inflation risks are higher than normal, there is greater chance of this option experiencing moderately negative returns than is typically the case.

Minimum investment time frame

4 years.

Retirement bonus

Member balances invested in this option are NOT eligible for the Retirement bonus.

Cash

Most suitable for

Members who wish to select a less aggressive asset allocation in exchange for more stability and security.

Strategy

To invest cash in money market securities such as bank term deposits and bank bills.

Investment objective

This option aims to outperform (after fees and before taxes) the Bloomberg Ausbond Bank Bill Index over rolling 3-year periods.

Asset class

100% Cash.

Summary risk level

Very low.

Estimated frequency of a negative annual return

Less than 0.5 in 20 years.

Usually, the Cash option is not expected to provide negative returns over any period. However, the return for the Cash option is heavily affected by the cash rate that the Reserve Bank of Australia (RBA) targets. As at 7 September 2022, the RBA was targeting a cash rate of 2.35%.

Minimum investment time frame

Less than 1 year.

Retirement bonus

Member balances invested in this option are NOT eligible for the Retirement bonus.

Balancing risk and return

Risks

There is a risk that investment returns are not what you expect and may be negative. Levels of investment risk are linked to the asset classes in which you have invested, and many other geographical, environmental, technological, political and economic changes, such as natural disasters, pandemics, war or terrorist acts.

Clearly, there is little you can do about external forces affecting your investments, but you can strongly influence the level of risk through your choice of investment options. As a rule of thumb, growth investments carry a greater risk and are expected to deliver higher returns over the long-term. However, they can also produce negative returns, particularly over the short-term. As such, extended investment periods may be appropriate for investors with significant exposure to riskier asset classes such as equities.

There is also a risk that investments cannot be converted to cash quickly without having an undue negative impact on their prices, which may lead to a delay in meeting member switches or redemptions, or other payment obligations of the Fund, or may result in a loss.

Returns

We present investment earnings as net returns in your Annual Member Statement. This is the return after tax on investment earnings, the reserving margin component of the percentage based administration fee and any investment fees and costs are accounted for. When you compare Vision Super with other funds, you should consider what fees, costs and taxes have been taken out of their stated returns.

The risk and return for Premixed and Single sector options

For Premixed options, you should consider the relative influence of the predominant asset classes in which they are invested. For example, the risk of the Balanced growth option is primarily influenced by growth assets such as equities. When you invest in Single sector options, you are exposed to the performance associated with the specific risks of the asset classes. If you choose Single sector options, we suggest that you consider diversifying your investment and spreading your risk. You should note that the Innovation and disruption option is less diversified in terms of the number of companies and industry sectors invested in, because of its focus on companies using technology to power their growth. We strongly recommend the Innovation and disruption option be part of a diversified investment strategy that takes your personal circumstances into consideration. To help you understand more about asset classes available to you through Vision Super and the risks associated with them, we suggest you read the information on the following pages. You should also note, to help ensure members investing in the Property and/or Infrastructure options have a diversified investment strategy, the amount of a member's account balance invested in these options is limited (see page 4).

Get more advice

Everyone's tolerance to risk is different and often changes as we progress through life. If you are unfamiliar with the asset classes, the types of investments within each asset class or the behaviour of investment markets and the economic influences on them, you should seek the advice of a licensed financial planner. A licensed financial planner can assist you in identifying your goals and determine the right balance of risk and return for you in the context of your personal circumstances, goals and risk tolerance.

Additional Explanation of Asset Classes

Australian equities

Investments in Australian companies (via 'shares' or 'equities') are usually listed on the Australian Stock Exchange (ASX). The key driver underpinning long term equity returns is the profit of companies, and these profits are either returned to shareholders as dividends or reinvested for growth. The expected return for Australian equities is higher than some other asset classes but the risk is greater.

The Fund receives franking credits from some Australian share investments. These are tax credits available to investors reflecting that some or all of the dividend relates to domestic income that the company has paid Australian tax on.

Risks

Sharemarkets go up and down, but generally trend upward over a period of 20 years or more. The risk associated with equity investments is linked to a complex mix of financial influences including economic trends both here and overseas, interest rate movements, political change, innovation, inflation and investor confidence.

The long-term upward trend for sharemarkets is due to the growth in the profits of companies. The risk is that some companies can shrink or disappear. That is why your equity investments should diversify across a range of companies and industry sectors.

International equities

These are investments in listed overseas companies (via 'shares' or 'equities'). Overseas equities have, over the long-term, generally offered similar returns to Australian equities.

The Fund receives no franking credits from investments in overseas equities, but may receive some foreign tax credits.

Risks

The risks outlined for Australian equities also apply substantially to overseas equities, except that offshore investments are also exposed to moves in foreign exchange rates. If you are investing in overseas markets, the Australian dollar value of your investment will decline if the overseas currency (e.g. US dollar) decreases against the Australian dollar. Of course, the opposite is true if the overseas currency increases against the Australian dollar. Exposure to foreign currencies can be beneficial from a diversification perspective, as the Australian dollar tends to fall when equity markets fall and vice versa.

With the aim of managing currency risk, most superannuation funds partially hedge against currency fluctuations. Vision Super's approach to currency hedging its overseas equity investments varies across its investment options. Generally, overseas equity investments for our multi-asset class investment options (that is, our Premixed options, such as Balanced growth) are partially hedged. Our Single sector investment options that have overseas equity investments (i.e. International Equities, Just Shares and Innovation and Disruption) are typically unhedged but from time to time this may change depending on our assessment of likely currency movements.

A large proportion of Vision Super's overseas equity portfolio is invested in the developed world's sharemarkets. However, this portfolio also invests in emerging markets.

Property

This asset class involves investing in property which may be listed or unlisted and may include both Australian and international investments. This can encompass a wide range of property sectors, including office, retail and industrial properties, but also include accommodation, data centres, hotels, healthcare and education properties. Investment is primarily in existing buildings, but may include some development projects.

Returns from property comes from both rental income and capital growth (increase in the valuation of the property). We do not invest directly into property, rather we are investing in pooled vehicles managed by external fund managers.

Risks

There are risks associated with property investments, which are in many cases linked to economic drivers like tenants' ability to pay/profitability, relative supply and demand balance of buildings, overall economic conditions and, in particular, interest rates.

Like equities, the long-term trend in Australian property prices is generally upwards, but the market can fall, particularly if the Australian economy enters recession. Historically, returns on property have been higher than bonds over the longer-term, but with higher risk.

Opportunistic growth

Opportunistic Growth is an alternative asset class which seeks to take advantage of opportunities that may arise across the broad spectrum of equity and debt investments, both domestically and internationally. Opportunistic Growth investments are seeking to generate strong returns over the medium to long term, albeit with higher risk, including the potential loss of capital. An example is an investment in start-up technology companies. Another example would be to provide debt financing to higher risk businesses, with commensurately high interest rates charged to compensate for this risk.

Risks

The risk associated with opportunistic growth assets is generally high, or higher than investments in Australian and international equities. Opportunistic growth assets are typically less liquid and often take many years to mature.

Infrastructure

Infrastructure can be both listed and unlisted. Currently, Vision Super mainly invests in unlisted Infrastructure where the focus is on mature assets with long-term cash flows. This asset class has both growth and defensive characteristics. Good examples of infrastructure assets with some growth potential are toll roads and seaports, that are operating below capacity or can expand.

Infrastructure investments with defensive characteristics might include investments in infrastructure like public transport, communications networks, water companies and electricity distribution networks, which generally benefit from consistent revenue streams, but not the growth potential of other assets. Our infrastructure investments may include both Australian and international investments.

Risks

The risk associated with Infrastructure is similar to property and sits between equities and diversified bonds. Infrastructure assets are less liquid than equities and diversified bonds.

Diversified bonds

Bonds are issued by Federal, State and Local Governments and by some companies. If you buy a bond it usually entitles you to regular payments of interest over a fixed period plus the return of the loan amount at the end of the period. Our diversified bond investments include both Australian and international bonds and is primarily nominal bonds, but can include inflation linked bonds.

Risks

The main risk for the diversified bonds portfolio is that interest rates rise, resulting in capital losses for the long-term bonds in the portfolio. Given that inflation risks are higher than normal, there is greater chance of this option experiencing moderately negative returns than has historically been the case.

Cash

This is not just money in the bank but also money invested for a short time in money market securities such as bank term deposits and bank bills.

Risks

The risk associated with cash investments are generally minimal in absolute terms, although the investment upside is also minimal. Cash is a safe haven in times of economic uncertainty and occasionally you may wish to preserve capital by allocating some of your super to cash. Cash interest rates may not keep up with the increase in inflation and therefore (in real terms) investors may experience a reduction in their investment. It should be noted that the return for the Cash option is heavily affected by the cash rate that the Reserve Bank of Australia (RBA) targets. As at 7 September 2022, the RBA was targeting a cash rate of 2.35%. This is an increase on the lows set during Covid but is low and below general measures of inflation.

Alternative debt

These are mostly low duration, credit investments including investments in various credit sub-sectors and other debt markets that aim to outperform a floating rate (cash plus) benchmark.

Investments can include multi-sector credit portfolios that vary their allocation to different parts of the debt markets, based on the relative opportunity set including from a bottom up security selection perspective.

Investments may also include specialist investments in sub-sectors such as bank loans, high yield, emerging market debt and other debt markets. While duration is low, maturities may be longer-term.

Risks

The main risks associated with alternative debt are credit risk and liquidity risk. These risks tend to be greatest when markets are stressed.

Other

The Other asset class includes investments that are suitable for the portfolio but are not consistent with the characteristics of the other asset classes in the portfolio. Currently, gold is the only investment that can be included in the Other asset class. Any future investments would require Board approval including detailed consideration of the merits of such investments. As part of the process, the risk and return characteristics of the investment would be defined on a case-by-case basis. As gold can be included in the Other asset class, its characteristics are outlined briefly below.

Gold is a very liquid commodity that is easily bought and sold in physical form, futures or exchange traded funds. In some economic conditions it may provide defensive characteristics. Key drivers of the return from gold include investor expectations about factors such as inflation, interest rates and political events..

Risks

Similar to equities, gold can be very volatile, increasing or declining in value sharply.

More on currency

Generally overseas investments in asset classes other than international equities are close to fully hedged. Overseas equity investments may be partially hedged, as described on page 14.

Here to help

Telephone 1300 300 820 (8:30am to 5:00pm)

Monday – Friday (not including Victorian public holidays)

Email memberservices@visionsuper.com.au

Visit www.visionsuper.com.au

Write PO Box 18041, Collins Street East, VIC 8003

ABN 50 082 924 561   AFSL 225054

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