

05 Strategic Investment Review

We have just completed a three part Strategic Investment Review for the Fund – normally undertaken every three years, but brought forward on this occasion by the introduction of Choice and the coming APRA RSE license regime and the need therefore to review the Fund more fundamentally.

Part One of the Review in Feb this year involved the Trustee's Investment Committee - Richard Rassi and Mark Hill - reviewing the number and type of investment options offered by the Fund as well as investment and performance objectives.

Part Two of the Review (May) involved a review of the asset allocation of the Fund's four investment Options – Shares, High Growth, Diversified and Capital Stable – as well as the investment performance objectives for each.

As a result we will be introducing two additional asset classes within some of the existing options; reducing the weighting of growth/risk assets in two Options; and renaming two Options to bring them in line with generally known industry standards (to enable members to make comparisons with comparable products).

In detail the key recommendations being implemented are:

- The split of Growth/ Defensive assets in the Diversified option to be reduced from 70%/30% to 65%/35%.
- The split of Growth/Defensive assets in the Capital Stable option to be reduced from 30%/70% to 25%/75%.
- A strategic allocation of 25% to small cap equities for both Australian and international equities.
- An allocation of 5% to Property investments for the High Growth, Diversified and Capital Stable Funds.
- The High Growth and Diversified options to be renamed the Growth option and Balanced option respectively to make the names consistent with current industry standards in preparation for Choice of Fund.