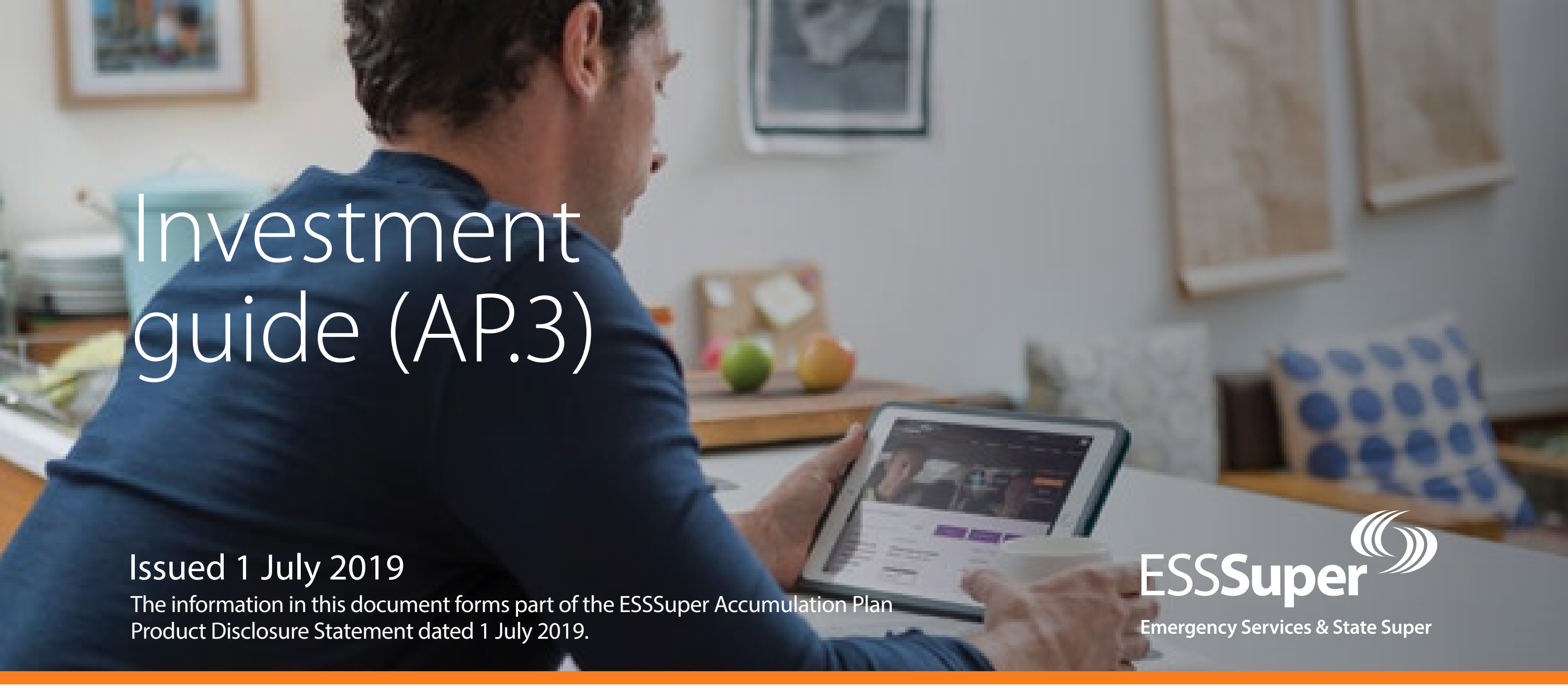


Investment guide (AP.3)

Issued 1 July 2019

The information in this document forms part of the ESSSuper Accumulation Plan Product Disclosure Statement dated 1 July 2019.

ESSSuper
Emergency Services & State Super

Contents

Investment principles

Our aim is to help every member achieve a comfortable and financially secure life in retirement through consistent investment performance that delivers above average returns over the long term.

Our approach is guided by our investment principles:

Balance

Our investment style aims to protect against short term volatility and focuses on achieving superior results over the medium to long term.

Value

We seek to simplify investment structures without compromising returns, only incurring higher costs where returns can be maximised to provide value for money.

Sustainable

We consider both the opportunities and risks of an environmental, social and governance nature relevant to our investment decisions.

Flexible

We offer you a range of flexible investment options so that you can choose an investment solution appropriate to your needs.

The above principles are an abridged version of the ESSSuper Investment Principles and refer to our overall investment strategy and approach. Whilst these principles are considered in the construction of our investment options, high level asset allocations may not appear to align with these principles in all instances. For example, the High Growth option will seek to achieve its objective within a balanced approach by having regard to diversification and downside protection.

Different types of investment

Each of the Accumulation Plan's investment options invests in one or more asset classes. The main asset classes are:

- shares
- sovereign bonds, and
- cash.

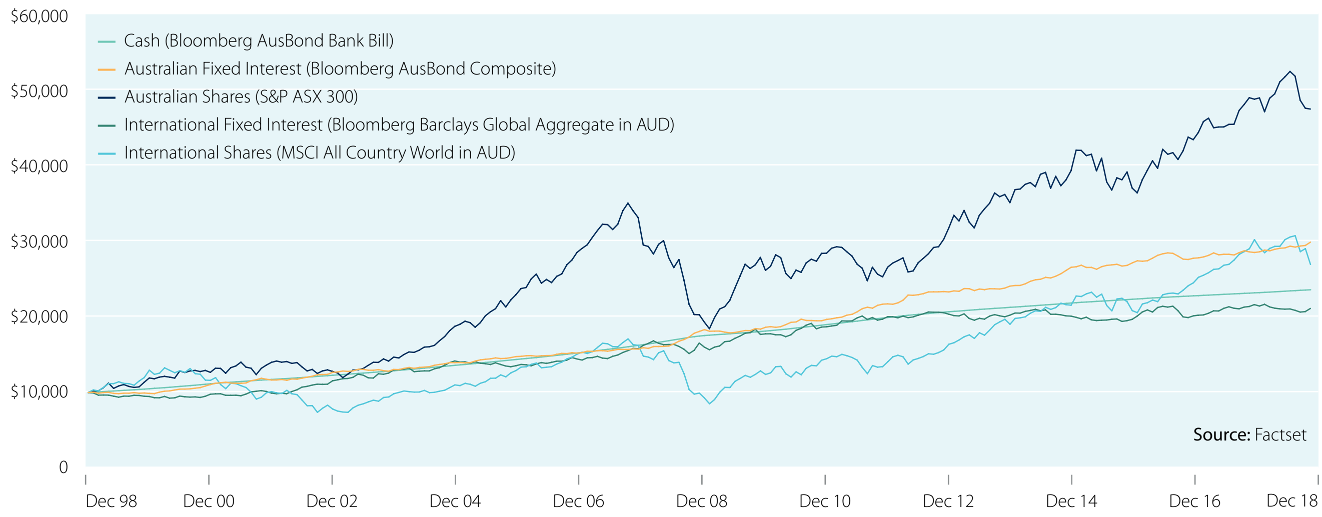
The returns on shares are mainly derived from capital gains and income from dividends. Shares are classified as growth assets. Growth assets generally offer the potential for greater long term capital appreciation (when compared with defensive assets), but the returns can fluctuate, with negative returns possible from time to time.

Sovereign bonds and cash are primarily classified as defensive assets. These assets mainly derive returns from interest. Defensive assets generally offer the potential of lower long term capital appreciation (when compared to growth assets), but the returns are generally more stable and less likely to fluctuate from one year to the next. Cash returns are nearly always positive, but negative returns are possible.

Diversification

The Accumulation Plan's investment options also invest in other asset classes that are expected to behave differently to the traditional asset classes such as shares, sovereign bonds and cash. These asset classes include infrastructure, property, multi-asset strategies and alternative strategies. These asset classes may have both growth and defensive characteristics but more importantly provide diversification to the traditional asset classes that each of the Accumulation Plan's investment options invest in.

The graph below shows how a $10,000 investment in each of the major asset class markets would have grown over the past 20 years to 31 December 2018.



Note: The above values have not been adjusted for fees and taxes. Please note that past performance is not an indication of future performance.

What are the risks?

With every investment, there are risks. Generally, the higher the potential return, the higher the level of risk.

Investment risk refers to the likelihood that the value of an investment will rise and fall within a given period. Some asset classes are considered riskier than others. History suggests there is a greater likelihood that shares will deliver a negative return, when compared to sovereign bonds and cash. In fact, cash has rarely provided a negative return, although negative returns are possible and even positive returns may fail to keep pace with inflation. However, past performance is not an indication of future performance.

Liquidity risk and unlisted assets

Liquidity risk can arise when a fund has difficulty selling all or part of its assets in a short time frame.

Asset classes which are more prone to liquidity risk than others are unlisted property and infrastructure given they are mostly not publicly traded on a recognised exchange. They are either directly traded between buyers and sellers, or are bought or sold through pooled investments, overseen by an investment manager or responsible entity.

The types of unlisted assets in which ESSSuper invests may include property, infrastructure, private equity, commodities, timber, credit and other alternative strategies.

Assets which are unlisted form an important part of ESSSuper's investment diversification strategy in terms of both investment risk and investment return. Different investment options will have varying levels of exposure to unlisted assets (e.g. the High Growth option may have up to 40% in unlisted property and infrastructure assets whereas the Defensive option could have up to 20%). Whilst these investments have the potential to lower volatility and enhance returns over the longer term, they also carry risks in terms of liquidity, counterparty and valuation risk.

ESSSuper's strategy to manage these risks includes:

- monitoring of the underlying asset liquidity in all investment options
- regular monitoring of cash flow requirements to ensure ESSSuper holds sufficient assets to meet expenses and income stream and benefit payments
- mandating investment managers to ensure diversification of securities, and
- monitoring of counterparty and other risks.

The majority of ESSSuper's underlying unlisted assets are valued quarterly by independent experts.

Counterparty risk

Counterparty risk arises when the counterparty (e.g. the responsible entity or issuer of a security) defaults on some or all of its contractual obligations.

Valuation risk

Valuation risk is the risk that assets are not valued according to generally accepted market practices.

Market risk

Each asset class can be affected by economic, technological, political or legal conditions within its own markets. Changes in investor or consumer sentiment as a result of market conditions can affect the value of investments, which may rise and fall.

Interest rate risk

Changes in interest rates can have an impact on the investment returns of different asset classes (this particularly applies to sovereign bonds, credit and other fixed interest investments).

Legislative risk

The risk that changes in laws or regulation could have a significant impact on the value of certain investments.

Currency risk

When ESSSuper invests in assets in other countries, any change in the value of foreign currencies relative to the Australian dollar will usually result in a change to the valuation of those investments in Australian dollar terms.

Security specific risk

When an individual company or asset fails (e.g. through fraud or bankruptcy), the value of an underlying investment in that company or asset can fall sharply.

Sovereign risk

The risk that a government will either default on its obligations, change the terms of repayment or impose controls on the return of capital.

Derivatives risk

Derivatives are used to reduce risk or gain exposure to other types of investments when appropriate.

Risks associated with derivatives include:

- the value of the derivative failing to move in line with the underlying assets
- the risk that an investor may not be able to meet payment obligations as they arise, and
- the risk that a counterparty may not meet its obligations under a derivatives contract.

ESSSuper uses derivatives such as futures and forward contracts to efficiently gain exposure to markets and to hedge investment positions or foreign currency positions (designed to protect the Australian dollar value of offshore assets). Our investment managers may also invest in derivatives in order to assist with the effective management and protection of the Accumulation Plan's assets.

Things to consider when selecting investment options

The importance of diversification

A common way to reduce investment risk is through diversification across different types of investments, the purpose of which is to spread risk. The more diversification, the less reliance on the performance of any one investment, because each asset class or underlying security performs well at different times. When one asset is not performing well, you may have several others that are performing better to balance the overall return.

Diversification normally involves allocating in certain proportions:

- within asset classes (e.g. across a wide range of shares in different industries and companies in Australia and overseas) and/or
- across asset classes (i.e. shares, sovereign bonds, cash and other asset classes).

Applying this approach can reduce the impact of negative returns on investments. The investment options we offer (see pages 6 to 10) adopt varying levels of diversification. You can choose to invest in one investment option or choose a combination of multiple investment options to diversify your investment in the Accumulation Plan.

Your time horizon

When choosing how to invest, you need to carefully consider how much risk you are prepared to accept in the short term to achieve your long term objectives. The length of time you have until you retire (or your 'time horizon') is one of the major considerations in determining your tolerance to risk. Investors with a longer time horizon may be prepared to invest more aggressively than those with a shorter time horizon. As an investor's time horizon shortens, they may want to invest more conservatively.

The effect of inflation

Consider how much your basic expenses like food, clothing, medical bills and travel have increased in price over the last ten years. When choosing how to invest your super, it's important that, subject to your risk tolerance, you consider the likelihood of the option you choose providing sufficient returns above inflation. If returns do not out-pace inflation it may be more difficult to fund your retirement goals as inflation will erode the purchasing power of your retirement income, meaning that over time you will need more money to purchase the same goods.

The return above the inflation rate is called the real rate of return on your investment. For example, if your investment earns 8% and inflation is 3%, then your real rate of return is 5%.

The effect of compound earnings

Over time, small differences in the value of your benefit can turn into large differences through the power of compounding. Compounding is the process whereby your money earns returns (positive or negative) on top of returns already invested. By choosing the right investment option(s) for your super, or choosing to make additional contributions into your account, you can harness the potential of compound earnings and watch your benefit grow.

Investment options with ESSSuper

Investment choice is available to all Accumulation Plan members. It allows you to tailor your super to meet your individual goals.

ESSSuper offers a choice of nine investment options:

Standard Options

- Shares Only
- High Growth
- Growth (default option)
- Balanced
- Conservative
- Defensive
- Cash

Alternative Options

- Basic Growth
- Ethically Minded

Standard Options

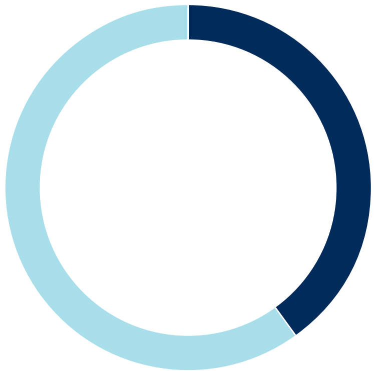
These are all 'pre-mixed' options and offer a 'range of risk profiles' from defensive to growth. The Standard Options represent the core options that ESSSuper offers and are underpinned by our investment approach.

Alternative Options

The Alternative Options are designed to complement ESSSuper's standard investment offering, giving members greater flexibility and choice. The options are designed for members looking to prioritise a particular characteristic that is important to them when selecting their investment mix.

You can choose a single option or a combination of options. If you don't make a choice, contributions and investment earnings will be invested in the Growth investment option, which is the default option. If you are unsure which investment option is best for you, have a look at the Investment Risk Profiler on our website. A financial adviser can help you understand investment risk and help you assess which investment options are appropriate for your specific requirements and your risk tolerance. For more information, please visit our website at **esssuper.com.au/investments** or call our Member Service Centre.

Standard Investment Options

	Shares Only	High Growth
		
Strategic asset allocations as at 1 July 2019 (asset allocation ranges are shown in brackets)	Australian shares 40.0% (25 – 75%) International shares 60.0% (25 – 75%)	Australian shares 26.0% (10 – 40%) International shares 39.5% (20 – 50%) Private Equity 0.0% (0 – 10%) Property 8.0% (0 – 20%) Infrastructure 10.0% (0 – 20%) Alternative strategies 7.5% (0 – 15%) Multi-asset strategies 9.0% (0 – 20%) Credit 0.0% (0 – 15%)
Suitability	This option may be suitable if you are prepared to accept the high volatility of investing in listed investments in the pursuit of high long term capital growth.	This option may be suitable if you are prepared to accept moderate to high volatility of capital in pursuit of high long term capital growth.
Objective*	To provide a return of 4.5% p.a. after fees and taxes above the rate of inflation over a 12 year period.	To provide a return of 4.5% p.a. after fees and taxes above the rate of inflation over a 12 year period.
Minimum suggested investment timeframe	12 years	12 years
Risk band#	6 – HIGH	6 – HIGH
Estimated number of negative annual returns#	4 to less than 6 over any 20 year period	4 to less than 6 over any 20 year period
Likely range of 1 year returns+		
Likely range of 20 year average returns per annum+		

* The investment objectives are not a promise or guarantee of any particular benefit. They represent a benchmark against which the Board monitors the performance of the investments of the fund.

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

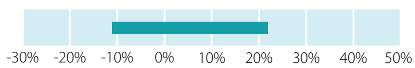
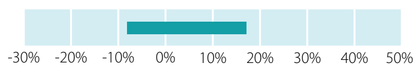
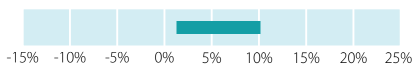
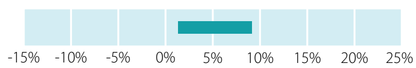
\+ The charts indicate the likely range of investment returns over a one-year period and over a 20-year period, 95% of cases are expected to lie within the likely range of investment returns and 5% of cases are expected to be higher or lower than the range. This analysis, calculated by ESSSuper's asset consultant, Frontier Advisors, is designed to illustrate the future range of returns from different asset classes and is not intended to imply any form of guarantee or assurance of the future performance of the asset classes in question.

Standard Investment Options

	Growth (default)	Balanced
		

Strategic asset allocations as at 1 July 2019 (asset allocation ranges are shown in brackets)

Asset class	Growth (default)		Balanced	
Australian shares	16.0%	(5 – 30%)	11.0%	(5 – 25%)
International shares	23.5%	(10 – 40%)	16.0%	(5 – 30%)
Private Equity	0.0%	(0 – 10%)	0.0%	(0 – 10%)
Property	10.0%	(5 – 15%)	10.0%	(5 – 15%)
Infrastructure	8.5%	(0 – 15%)	5.5%	(0 – 10%)
Alternative strategies	8.0%	(0 – 15%)	7.5%	(0 – 15%)
Multi-asset strategies	12.5%	(0 – 25%)	12.5%	(0 – 25%)
Credit	10.0%	(0 – 20%)	10.0%	(0 – 20%)
Sovereign Bonds	7.5%	(0 – 20%)	15.0%	(5 – 40%)
Cash	4.0%	(0 – 15%)	12.5%	(0 – 25%)

	Growth (default)	Balanced
Suitability	This option may be suitable if you are most interested in long term capital growth and can accept short term volatility of capital.	This option may be suitable if you want a growth component in your investments to help protect capital against inflation, some income to smooth returns but can accept short term volatility of capital.
Objective*	To provide a return of 3.5% p.a. after fees and taxes above the rate of inflation over a 10 year period.	To provide a return of 2.5% p.a. after fees and taxes above the rate of inflation over a 10 year period.
Minimum suggested investment timeframe	10 years	10 years
Risk band#	5 – MEDIUM to HIGH	4 – MEDIUM
Estimated number of negative annual returns#	3 to less than 4 over any 20 year period	2 to less than 3 over any 20 year period
Likely range of 1 year returns+		
Likely range of 20 year average returns per annum+		

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

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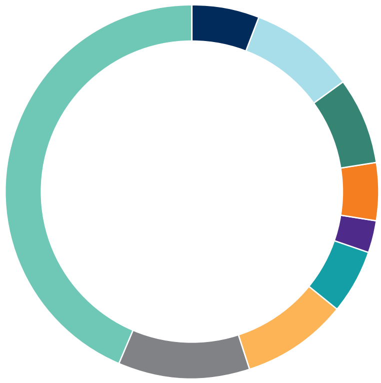
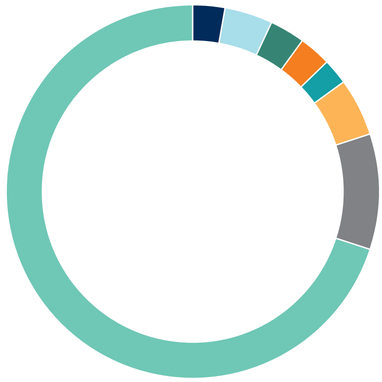
Standard Investment Options

Conservative

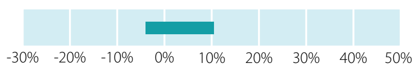


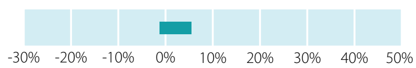
Defensive



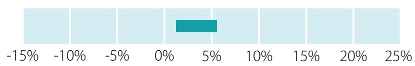
	Conservative	Defensive
Strategic asset allocations as at 1 July 2019 (asset allocation ranges are shown in brackets)	Australian shares 6.0% (0 – 15%) International shares 9.0% (0 – 15%) Private Equity 0.0% (0 – 5%) Property 7.5% (2.5 – 12.5%) Infrastructure 5.0% (0 – 10%) Alternative strategies 3.0% (0 – 6%) Multi-asset strategies 5.5% (0 – 15%) Credit 9.0% (0 – 15%) Sovereign Bonds 11.5% (0 – 30%) Cash 43.5% (30 – 60%)	Australian shares 3.0% (0 – 10%) International shares 4.0% (0 – 10%) Property 3.0% (0 – 10%) Infrastructure 3.0% (0 – 10%) Multi-asset strategies 2.0% (0 – 10%) Credit 5.0% (0 – 10%) Sovereign Bonds 10.0% (0 – 40%) Cash 70.0% (50 – 90%)
Suitability	This option may be suitable if you aim to see your capital protected from inflation and are prepared to experience some short term volatility in order to gain longer term capital growth.	This option may be suitable if you are prepared to accept a measured amount of risk by investing in a small amount of growth assets. Your priority remains the preservation of capital.
Objective*	To provide a return of 1.5% p.a. after fees and taxes above the rate of inflation over a 5 year period.	To provide a return of 1.0% p.a. after fees and taxes above the rate of inflation over a 2 year period.
Minimum suggested investment timeframe	5 years	2 years
Risk band#	3 – LOW to MEDIUM	1 – VERY LOW
Estimated number of negative annual returns#	1 to less than 2 over any 20 year period	Less than 0.5 over any 20 year period

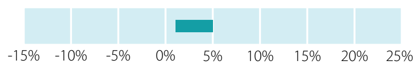
Likely range of 1 year returns+





Likely range of 20 year average returns per annum+





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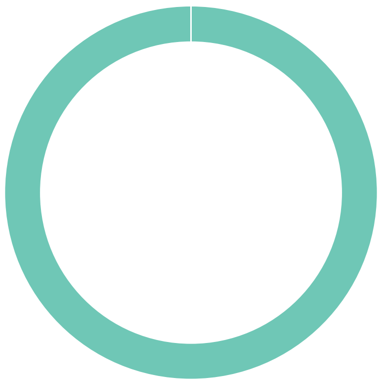
Standard Investment Options

Cash



Strategic asset allocations as at 1 July 2019 (asset allocation ranges are shown in brackets)	Cash 100% (100%)
Suitability	This option may be suitable if your priority is the safeguarding of your investment capital.
Objective*	To provide a return after fees equivalent or higher than the RBA Cash Rate.
Minimum suggested investment timeframe	1 year
Risk band#	1 – VERY LOW
Estimated number of negative annual returns#	Less than 0.5 over any 20 year period
Likely range of 1 year returns+	
Likely range of 20 year average returns per annum+	

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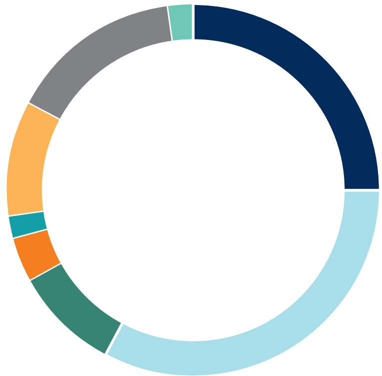
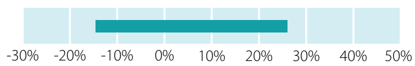
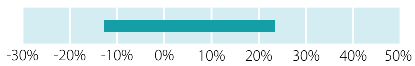
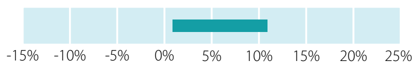
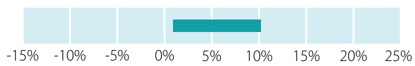
Alternative Investment Options

	Basic Growth	Ethically Minded[1]
		
Strategic asset allocations as at 1 July 2019 (asset allocation ranges are shown in brackets)	Australian shares[2] 24.5% (5 – 35%) International shares[2] 36.0% (10 – 45%) Property 8.0% (5 – 15%) Infrastructure 8.0% (0 – 15%) Alternative strategies 0.0% (0 – 10%) Multi-asset strategies 10.0% (0 – 30%) Credit 4.0% (0 – 15%) Sovereign Bonds 7.5% (0 – 20%) Cash 2.0% (0 – 15%)	Australian shares 25.0% (15 – 40%) International shares 33.0% (15 – 48%) Property 9.0% (0 – 20%) Infrastructure 4.0% (0 – 7%) Alternative strategies 2.0% (0 – 6%) Credit 10.0% (0 – 18%) Sovereign Bonds 15.0% (0 – 27%) Cash 2.0% (0 – 20%)
Suitability	This option may be suitable if you are interested in long term capital growth, can accept higher levels of short term volatility and are particularly cost sensitive.	This option may be suitable if you are interested in long term capital growth, can accept short term volatility and are seeking an investment return that excludes some investments on ethical grounds.
Objective*	To provide a return of 3.5% p.a. after fees and taxes above the rate of inflation over a 10 year period.	To provide a return of 3.5% p.a. after fees and taxes above the rate of inflation over a 10 year period.
Minimum suggested investment timeframe	10 years	10 years
Risk band#	6 – HIGH	6 – HIGH
Estimated number of negative annual returns#	4 to less than 6 over any 20 year period	4 to less than 6 over any 20 year period
Likely range of 1 year returns+		
Likely range of 20 year average returns per annum+		

1. The Ethically Minded option is a single manager option currently managed on behalf of ESSSuper by AMP Capital.
2. 100% passively invested against the S&P/ASX200 Index net dividends reinvested for Australian Shares and against the MSCI World ex-Australia net dividends reinvested for International Shares.

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

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Who manages your money?

ESSSuper manages the investments in the Accumulation Plan and employs an internal Investments team which is supported by specialist service providers.

Frontier Advisors, an asset/investment consulting firm, has been appointed to provide strategic investment advice to the Board, and to assist the Investments team in its ongoing appointment and monitoring of investment managers and risks.

External specialist investment managers are contracted to manage ESSSuper's investments in line with the guidelines set by the Board. The performance of individual investment managers, asset classes and products is measured against agreed performance benchmarks and monitored and reported to the Board.

Investment managers are selected by the Board, having regard to advice from Frontier Advisors and ESSSuper's Investments team.

ESSSuper's Investments team:

- provides a consolidated report to the Board on the performance of investment managers, asset classes and products compared against agreed benchmarks on a quarterly basis
- reviews external investment advice and makes recommendations to the Board on the suitability of strategic investment advice for our members
- is responsible for the implementation of Board investment decisions
- manages the investment governance process on behalf of the Board (which includes the management of ESSSuper's responsibilities as a signatory of the United Nations backed Principles of Responsible Investment)
- under limited powers of delegation, may make changes to asset allocations to manage risk or take advantage of opportunities in investment markets.

Responsible Investing

ESSSuper seeks to invest in a responsible manner and considers certain investment risks associated with environmental, social and governance (ESG) issues that have the potential to erode the long term returns that ESSSuper can obtain for members. Some of the issues that ESSSuper will consider as part of its responsible investing framework include understanding the impact of climate change and pollution, labour standards adopted by companies as well as broader company governance considerations such as board composition and executive remuneration.

ESSSuper does not currently screen out investments on the basis of ESG considerations other than that which is stipulated under the ESSSuper *Responsible Investment Policy* available on our website at **esssuper.com.au/responsibleinvestment**. Please note, this may change in the future.

The way in which ESSSuper manages ESG issues includes:

- being a signatory to the United Nations backed Principles for Responsible Investment, and
- proxy voting at Annual (or Extraordinary) General Meetings of all companies where ESSSuper has a direct holding through investment mandates.

The Principles for Responsible Investment provide the framework for ESSSuper to consider ESG issues, including actively engaging with investment managers on the integration of ESG issues into their investment process.

The Board takes an active stance on corporate governance by voting on all resolutions for listed public companies it is directly invested in with the objective aligning company boards and management with shareholders.

ESSSuper also engages with investment managers to ensure that ESG considerations are explicitly considered by each investment manager, either by being a signatory to the Principles of Responsible Investment or having the financial risks of ESG issues considered in their investment approach and modelling.

More information on ESSSuper's approach is contained in the *ESSSuper Responsible Investment Policy*, available on our website at **esssuper.com.au/responsibleinvestment**

Other important investment information

Changing your investment options

You have the flexibility to change your investment choice on a monthly basis. You can make different choices for your account and for your future contributions. However, you should keep in mind that super is generally considered to be a long term investment. Accordingly, you should think carefully about making changes in response to short term fluctuations in the value of your investments.

To change your investment choice, login to your Members Online account at **esssuper.com.au/login** or complete an *Investment Options Change form (E146)*, available at **esssuper.com.au/forms**. If you are changing your investment choice for your existing account balance, your completed form must be received by ESSSuper before close of business on the 20th day of the month to take effect from the first day of the following month (e.g. requests received by 20 April will be effective from 1 May). Where the 20th day of the month is not a business day, changes must be received by close of business on the last business day prior to the 20th.

If you change your investment choice for your existing account balance and you want to make a lump sum withdrawal from your account within the first 10 days of the month that your investment option change takes effect, ESSSuper may not be able to process your withdrawal until the 11th day of the month (e.g. if your investment option change takes effect from 1 July, ESSSuper may not be able to process your withdrawal until 11 July). This is when final crediting rates are declared for the previous month and your investment change has been processed. You can make a withdrawal request at any time, and if there is expected to be a delay in processing your withdrawal, we will notify you.

Crediting rates

ESSSuper calculates and declares final crediting rates (which can be positive or negative) for each investment option at the end of each month. The rates credited or debited to your account are the actual monthly earning rates compounded for your chosen investment options, after deducting tax, investment management fees and other costs, where applicable.

Investment earnings are applied to your account at 30 June each year and when any of the following transactions occur:

- you close your account, or
- you change your investment strategy for your account, or
- a Family Law split is processed from your account.

When you change your investment strategy, final end of month crediting rates will be applied.

Interim crediting rates will be applied when you close your account or a Family Law split is processed from your account. Interim crediting rates will be applied for any period for which final crediting rates have not yet been declared.

For example, if you were to close your account on 3 October, the final crediting rates may not have been declared for the month of September. Therefore, the daily interim crediting rates that are calculated on 3 October for each investment option are applied for the period from 1 September to 3 October.

The interim crediting rates are designed to closely reflect the investment returns for each investment option from the last declared monthly rate until the time of transaction.

Interim crediting rates may be higher or lower than the final declared crediting rates. Both calculations take into account relevant taxes, investment management fees and other costs. Crediting rates and interim crediting rates can be obtained from our website at **esssuper.com.au/performance**

In the event that one or more of your investment options become negative at 30 June, then each negative investment option will be switched and applied to your remaining positive investment option. The switch will be applied to the most conservative, positive investment option, that you hold. ESSSuper investment options are as follows, in order from most conservative to least conservative: Cash, Defensive, Conservative, Balanced, Growth, Basic Growth, Ethically Minded, High Growth, Shares Only.

Important:
If you have an Accumulation Plan linked to your ESSS Defined Benefit at the time you terminate your employment, the crediting rates on your Accumulation Plan will change.

The current ESSS Defined Benefit earning rate will apply to your Accumulation Plan account from the day after your termination of employment until your combined Defined Benefit and Accumulation Plan Benefit is paid, or 60 days elapses, whichever occurs first.

At this point, if you have not nominated a payment from your combined Defined Benefit and Accumulation Plan accounts, your benefit will be transferred to the Accumulation Plan where your benefit will accrue earnings at the default earning rate.

Delays in transactions

ESSSuper has responsibility to ensure all members' benefits are equally protected. In exceptional circumstances, if ESSSuper is not able to reasonably value or sell assets, we are able to delay or disallow transactions from being processed. Transactions impacted may include investment choice changes, additional investments and withdrawals. Such a decision may apply to transactions initiated or received, but not processed, prior to the decision being made.

Exceptional circumstances which could cause such extreme measures to be taken include, but are not limited to, adverse economic conditions, political uncertainty, and/or legal action. ESSSuper would communicate significant developments to impacted members.

Changes to investment options

ESSSuper may add, close or make changes to investment options at any time. We will notify you of any significant changes.

Prudential superannuation standard

Prudential Superannuation Standard Section 6B of the *Emergency Services Superannuation Act 1986 (ESS Act)* requires the Board to comply with the Prudential Superannuation Standard (PSS) made by order of the Governor-in-Council. The PSS applies reporting and compliance requirements similar to APRA regulated superannuation funds to ESSSuper. This includes an annual attestation that appropriate risk management arrangements are in place.

Need help with your super?

- visit **esssuper.com.au** for tips, tools and calculators
- book in for a free super seminar – online at **esssuper.com.au/seminars** call our Member Service Centre on 1300 650 161
- call us to arrange an appointment with a Member Education Consultant
- if you want personal financial advice tailored to your individual circumstances, we can arrange a referral to a licensed financial adviser that charges on a fee-for-service basis (commission free). ESSSuper has an arrangement with Link Advice Pty Ltd for Link Advice and its authorised representatives to provide members with financial advice under Link Advice's Australian Financial Services Licence (No. 258145). Appointments are located at ESSSuper's office.

ESSSuper Financial Advisers are authorised representatives of Link Advice Pty Ltd (Link Advice). Link Advice holds a current Australian Financial Services Licence No. 258145 and is responsible for the financial services provided to you by it or its authorised representatives.

ESSSuper has an arrangement with Link Advice Pty Ltd to provide financial advice to ESSSuper members. ESSSuper pays Link Advice a fee for this service. Neither the Board, nor the Victorian Government, guarantee or endorse any recommendations made by Link Advice or its authorised representatives, or are responsible for the advice and actions of Link Advice or its authorised representatives.

Glossary

Term	Definition
Alternative Strategies	Managed investment portfolios which employ a range of specialised investment techniques to target returns lowly correlated with traditional asset classes such as equities and bonds. Investments may include hedge funds, commodities and reinsurance strategies.
Benchmark	The pre-determined mix of assets used to assess the risk and performance of an investment portfolio.
Capital	Wealth, cash, property and/or other assets amassed by an individual.
Cash	Investments made in the short term money market (e.g. term deposits, bank bills and deposits at call).
Credit	Investments in debt securities primarily issued by companies or entities considered to be of higher risk than developed country governments.
Crediting rate	The rate at which a fund's investment earnings are allocated to members' accounts, usually expressed as a percentage per annum (p.a.). The crediting rate may differ from the fund's actual earning rate because of deductions for fees, costs and tax on investment income and can be positive or negative.
Currency hedging	Investments in derivatives to offset the impact of movements in the value of foreign currency versus the Australian dollar on investment returns.
Default investment option	The investment option into which the balance of a member's account, future contributions and investment earnings may be invested if a member does not make an investment choice. The default investment option is the Growth investment option.
Derivatives	Financial contracts that derive their value from an underlying asset, liability or index. Derivatives come in many forms, including forwards, futures, options, warrants and swaps.
Dividend	The portion of earnings that a company pays to its shareholders.
Earnings	The return earned, positive or negative, on member's accounts.
Inflation	A general increase in the price of goods and services that results in a decrease in the purchasing power of the dollar. Inflation is usually measured by changes in the Consumer Price Index (CPI).
Infrastructure	Investments in basic facilities in Australia and offshore that often provide essential services to a community, such as roads, airports, seaports and power generation facilities.
Interest	The return earned on money that has been invested or loaned for fixed interest, cash and term deposits.
Multi-Asset Strategies	Managed investment portfolios which aim to provide increased diversification and target an absolute return above inflation, underlying investments typically include allocations to shares, government and corporate debt securities, foreign currencies, commodities and cash.
Private Equity	Investments in companies not listed or traded on stock exchanges.
Property	Investments in office buildings, shopping centres and industrial sites are known as property assets. Investment in property may be in Australia or overseas.
Return	The amount of money or total increase or decrease in wealth received annually from an investment, usually expressed as a percentage per annum.
Risk	In investment performance terms, risk means variability of investment returns. In practical terms, risk means the chance of losing money or not having your expectations met.

Term	Definition
Shares	Also known as equities, a share represents part ownership in a company. Investors generally purchase shares to earn a profit by selling them for more than was paid, and to gain income (dividends) from the payout of company earnings. Shares can grow in value over time but also carry the risk that their value may fall below their purchase price.
Sovereign Bonds	Investments in debt securities issued primarily by the Australian and other developed country governments and government-related entities. The bond holder receives interest for the fixed term of the bond, which can typically range from 2 to 20 years. Generally, bond prices move in the opposite direction to interest rates.

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