

# Investments

## Bank First Superannuation

This fact sheet provides more detailed information about this product's investment options. It's designed to be read in conjunction with the Bank First Superannuation Product Disclosure Statement and is subject to review from time to time. The investment information in this fact sheet is of a general nature and does not take into account your individual objectives, situation or needs. We recommend you obtain advice from an appropriately qualified adviser about how these risks impact you.

When selecting your investment strategy, it's essential to identify your personal and financial goals. You should think about the amount of time you have before retirement and your risk tolerance in order to determine an appropriate investment strategy. Also, consider the fees and costs applicable to each investment option, including any Buy and Sell spread when switching into or out of unitised investment options or selecting unitised investment options for future contributions.

Refer to the **Fees and Costs** factsheet for more information about fees and how unit prices apply when investing in, or redeeming investments from, unitised investment options.

### Investment options

We offer five investment options that cover a range of risk tolerances or profiles, so you should be able to find investment options to suit your individual needs. If no one option suits, you can also mix options. You must select an investment option when applying for this product.

#### Investment Options

Cash Plus Option

Conservative Option

Balanced Option

Growth Option

High Growth Option

The Cash Plus, Conservative, Balanced, Growth and High Growth options are unitised or pooled investment with underlying investments determined by the Trustee as considered appropriate from time to time (taking into account recommendations of investment consultants).

## Important information about the investment table

The investment table appearing below shows the strategic asset allocations for each of the investment options. Variations from the strategic asset allocations may occur due to market fluctuations, underlying investment manager decisions, amounts held in cash pending investment or other factors. At the date of preparation of this document, the Trustee has determined that the Cash and Fixed Interest investments utilised in each of the investment options are or will be cash and fixed interest deposits or products issued by Bank First Superannuation (which also undertakes some promotional activities in respect of this product). The underlying investments utilised in the investment options may be changed at any time at the discretion of the Trustee, and any underlying investment information is indicative only of the product's investments and is provided for information purposes only.

More detailed information about actual asset allocations at the end of each financial year will be published in an **Annual Report** available from [www.bankfirst.com.au](http://www.bankfirst.com.au).

## Investment tables

Options	Cash Plus Option		Conservative Option		Balanced Option	
<b>Investor Profile</b>	This option is intended to be suitable for members looking for stability above all, who accept that long-term investment returns are likely to be the lowest of all investment options.		This option is intended to be suitable for members seeking a low risk, diversified portfolio with a small exposure to growth assets, capital stability and some capital growth potential.		This option is intended to be suitable for members with an average tolerance for risk who are seeking a balance between income and capital growth assets.	
<b>Investment Return Objectives</b>	To achieve returns (after tax and fees) in line with 50% RBA cash rate + six-month bank bills over a rolling 1 year period.		To achieve returns (after tax and fees) that exceed CPI by at least 1.00% over a rolling 4 year period.		To achieve returns (after tax and fees) that exceed CPI by at least 2.00% over a rolling 6 year period.	
<b>Strategic Asset Allocation</b>	Australian Equities	0%	Australian Equities	11%	Australian Equities	18%
	International Equities	0%	International Equities	16%	International Equities	27%
	Fixed Interest	50%	Fixed Interest	30%	Fixed Interest	30%
	Cash	50%	Cash	43%	Cash	25%
<b>Recommended Minimum Investment Timeframe</b>	Short term (No minimum)		Short to Medium term investors (usually three to four years)		Medium to Long term investors (usually six years plus)	
<b>Risk Level</b>	Estimated number of negative annual returns over any 20 year period is less than 0.5.		Estimated number of negative annual returns over any 20 year period is 2 to less than 3.		Estimated number of negative annual returns over any 20 year period is 3 to less than 4.	
<b>Standard Risk Level</b>	Very Low		Medium		Medium to High	
<b>Risk Band</b>	Very Low		Medium		Medium to High	

## Investment tables (continued)

Options	Growth Option	High Growth Option																
<b>Investor Profile</b>	This option is intended to be suitable for members with an above average tolerance for risk who are seeking long-term capital growth.	This option is intended for members with a tolerance for high levels of risk and are seeking long- term capital growth.																
<b>Investment Return Objectives</b>	To achieve returns (after tax and fees) that exceed CPI by at least 3.00% over a rolling 8 year period.	To achieve returns (after tax and fees) that exceed CPI by at least 4.25% over a rolling 8 year period.																
<b>Strategic Asset Allocation</b>	<table border="0"> <tr> <td>Australian Equities</td> <td>25%</td> </tr> <tr> <td>International Equities</td> <td>38%</td> </tr> <tr> <td>Fixed Interest</td> <td>34%</td> </tr> <tr> <td>Cash</td> <td>3%</td> </tr> </table>	Australian Equities	25%	International Equities	38%	Fixed Interest	34%	Cash	3%	<table border="0"> <tr> <td>Australian Equities</td> <td>36%</td> </tr> <tr> <td>International Equities</td> <td>54%</td> </tr> <tr> <td>Fixed Interest</td> <td>10%</td> </tr> <tr> <td>Cash</td> <td>0%</td> </tr> </table>	Australian Equities	36%	International Equities	54%	Fixed Interest	10%	Cash	0%
Australian Equities	25%																	
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Cash	3%																	
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Fixed Interest	10%																	
Cash	0%																	
<b>Recommended Minimum Investment Timeframe</b>	Long term investors (usually eight years plus)	Long-term investors (eight to ten years or more)																
<b>Risk Level</b>	Estimated number of negative annual returns over any 20 year period is 3 to less than 4.	Estimated number of negative annual returns over any 20 year period is 4 to less than 6.																
<b>Standard Risk Level</b>	Medium to High	High																
<b>Risk Band</b>	5	6																

## Investment risk and return

All investments are subject to varying degrees of risk and generally, the greater the risk, the greater the volatility of the investment and its investment performance. Investment earnings from the investment options can be positive or negative and the return of capital is not guaranteed.

### Risk and return relationship

Risk and return are terms often used together, as they are inextricably linked. Where a greater return is expected, then invariably a greater risk is associated with it.

A popular misconception is the belief that the best objective to investing is to eliminate risk altogether, however by doing this, the prospect of reaping the high returns is also eliminated.

Investors need to be able to manage risk by bringing it to a level that is acceptable for their circumstances (for example, their age, desired level of investment return and the amount of risk that is acceptable to achieve the desired investment return) when selecting an investment option.

## Asset classes

The money you invest in an investment option may be invested in underlying investment funds, assets or products. These investments or assets can be classified into a number of asset classes according to the type of asset they are and their expected likelihood of producing a higher or lower return.

There are a number of different asset classes that may be utilised in the investment options. These can be placed in four broad categories:

- **Cash** – These are funds held in bank accounts and investments made in the short-term money market. These are generally short term investments.
- **Fixed Interest** – These are medium to long term investments that are basically loans from an Approved Deposit Taking Institution to its members and are fixed to be repaid at a certain time. The borrowing organisation pays back the loan, plus a fixed amount of interest. Investments in fixed interest will be in Australian fixed interest.
- **Equities** – Also referred to as ‘shares’ or ‘stocks’, these are investments in corporations, where the purchaser buys a certain amount of ‘shares’ in a company. These are generally a long term investment. Investments in equities may be in Australian and International shares.

## Types of risk

Examples of the types of risk associated with superannuation investments include:

- **Market risk** – The risk associated with the market as a whole. The factors are universal, and depending on the particular market, the factors affecting performance include political and social climates, change in interest rates, economic cycles and government policy, all of which may result in the increase or decrease of market valuations. The impact of the market on your investment may be different depending on the market segment in which you participate, for example, the resources sector.
- **Investment specific risk** – Generally, the riskier the investment, the higher the expected returns, but the riskier investment also has the potential to generate the greatest losses. There is also the risk associated with underlying investment managers not performing to expectations due to a range of factors including their investment style, loss of key personnel or interruption to their processes or systems.
- **Currency risk** – The risk is that movements in currency can have an effect on the domestic value of international investments. For example, a fall in the value of the Australian dollar can increase the value (in domestic value terms) of international investments held in an investment option. Similarly, a rise in the Australian dollar can reduce the value of that investment. Currency risk can be reduced through 'hedging', which may involve use of derivatives, short positions and exotic securities to deliver returns in both rising and falling markets. However, hedging has its own risks including increasing the potential for asset sell-downs to meet the cost of hedging in periods where local currency depreciates, and the risks associated with derivatives or other hedging mechanisms used.

Investment options which involve investment, directly or via a diversified fund, in international funds may be fully or partially hedged to remove or reduce currency risk. The hedging strategies employed will also have a flow-on effect to a diversified fund that obtains exposure via the underlying international funds. Hedging may be used in the Conservative, Balanced, Growth and High Growth investment options.

- **Country risk** – Economic and political climates in countries may have an adverse effect where particular investments may be held.
- **Legislation risk** – Changes may occur to superannuation or taxation legislation which may in turn, affect the value or accessibility of the investments.

- **Liquidity risk** – This is the risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay because of either not enough buyers in the market for the particular investment or disruptions in the marketplace. Liquidity risk depends on the composition of an investment option's underlying assets or investments. While liquidity risk is not expected to be significant for the investment options, liquidity risk may also change from time to time.
- **Operational risk** – This is the risk that the Fund's operations are disrupted or affected in some way. When you invest in a superannuation fund you rely on the quality of personnel and systems to manage investments. If key personnel leave or administration systems fail, your investment may be affected. The Trustee maintains a compliance and risk management framework to help manage these risks.

Other possible influences include natural disasters, new technology, war and acts of terrorism, which are all beyond the control of the Trustee, the Fund and the Investment Managers involved. Lack of diversification in your investment options may also have an influence.

The relevance of these risks will depend on the underlying assets utilised in the investment options selected. For example, currency risk will be a greater consideration for investment pools that invest in international shares.

An indication of the risk profile of each investment option (risk level and standard risk measure) is shown in the Investment table earlier in this factsheet. The risk levels help you compare investment strategies that are expected to deliver a similar number of negative annual returns over any 20 year period.

These risk levels are a guide only and do not take into account your personal circumstances.

The risk levels and standard risk measures are based on industry guidance to facilitate comparison of superannuation investments. They are not a complete assessment of all forms of investment risk, for instance, they do not detail what the size of a negative return could be or the potential for a positive return to be less than a member's investment objectives.

Further, these risk indicators do not take into account the impact of fees and tax on the likelihood of a negative return. For this reason, you should ensure you are comfortable with the risks and potential losses associated with your chosen strategy and investments.

There may also be a relationship between fees and risks. All other things being equal, higher fees will increase the probability of a negative return.

### Derivative investments

It is the Trustee's policy not to use derivative investments directly. Derivatives include investment products such as futures, options, swaps and warrants. They are securities whose value is derived from other securities or assets.

The underlying investment managers used in the Conservative, Balanced, Growth and High Growth investment options may use derivatives to reduce risks in their investment products, to modify the expected returns and risk in their funds, and/or to manage their exposure to particular investment sectors or markets.

However, use of derivatives can carry its own risks like the possibility that the derivative position is difficult or costly to reverse, that it does not perform as expected or that the parties to the derivatives contract do not perform their contractual obligations. Any exposure to derivatives may vary depending on the strategy and objectives of an investment option.

### Consideration of ethical investments

The Trustee does not take into account labour standards, environmental, social, or ethical considerations when selecting, retaining or redeeming investments of the Fund, however underlying investment managers may do so (in their own right, not on the Trustee's behalf).

### Investment performance

The investment performance of the Cash Plus, Conservative, Balanced, Growth and High Growth Options is reflected in the unit prices for these options (usually calculated daily), after taking into account relevant fees, costs and taxes. Refer to the **Fees and Costs** fact sheet for more information.

Neither the Trustee or any service provider or other entity associated with the Fund or this product guarantee your investment or the returns on any of your selected investments.



If you would like further information about the allocation of investment performance to accounts go to [www.bankfirst.com.au](http://www.bankfirst.com.au) or contact the **Bank first Superannuation** Call Centre on **1300 654 193**.

This Factsheet is issued by Equity Superannuation Trustees Limited ABN (50 055 641 757) AFSL 229757, RSE License No L0001458, as Trustee for CUBS Superannuation Fund ABN 90 120 177 925 (the Fund).

This Factsheet is for general information purposes only and is not intended to be relied on for the purpose of making an investment decision or other decisions pertinent to your investment in the Fund. It has been prepared without taking account of the objectives, financial situation and needs of any particular person. You should also consider obtaining professional advice before making decisions regarding your investment in the Fund, to determine if they are appropriate to your needs. Please read the relevant Product Disclosure Statement available at [www.bankfirst.com.au](http://www.bankfirst.com.au) or contact the Fund for a copy.

The Trustee reserves the right to vary the features of this product including investments insurance and fees and costs, at any time.

The terms of the trust deed governing the Fund have precedence over anything in the PDS and the FactSheets.