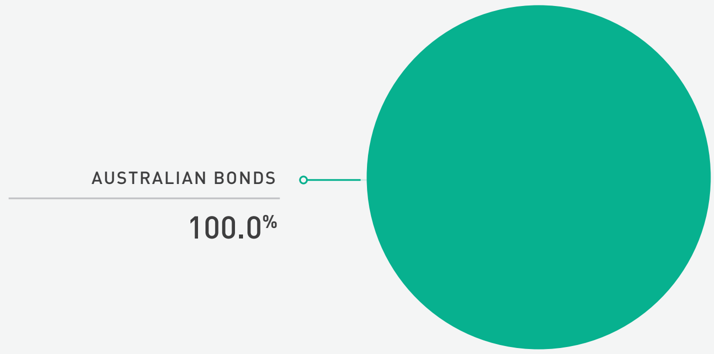
Factsheet: 1 July 2020

Your investment options: Bonds

The information in the document forms part of the Product Disclosure Statement (PDS) for the Mine Superannuation Fund.

Australian Shares | International Shares | Property | Bonds | Cash | Term Deposit



About Bonds

Bonds involve lending money to a corporation or government at a fixed or variable interest rate.

Bonds are a defensive asset. Historically bonds tend to provide higher returns and are more volatile than cash, but have lower returns and are less volatile than property and shares. Bonds have historically been a good way to offset the risk of investing in growth assets, as prices tend to move in opposite directions.

Who are Bonds suitable for?

Suitable for people who wish to invest their super for one to five years.

What assets does Bonds invest in?

Bonds, also referred to as 'fixed interest', are issued by companies and governments to raise money. The bond issuer usually promises to make regular interest payments and repay the principal of the bond by a certain date. The level of risk and return is closely linked to the issuer's financial health. For instance, highly rated government bonds, which are less likely to default, pay lower returns than more risky company bonds. The value of bonds also changes depending on interest rate levels, providing potential for capital growth. When interest rates rise, bond prices fall, and vice versa. A bond's price can also move up or down due to changes in inflation, which in turn affects interest rate expectations, and the financial health of the bond's issuer.

At times we may hold a small part of this investment option in cash. This is a standard investment administration process to:

+ set aside money to invest with our managers
+ manage cash outflows, such as benefit payments, without having to cash in an investment.

Bonds's standard risk measure^

Bond's risk level is high. The table below shows the estimated number of annual negative returns over any 20 year period. These negative returns can be experienced several years apart or several years in a row within the 20 year period.

Risk level	Very Low	Low	Low - medium	Medium	Medium -High	**High**	Very High
	0	0.5	1	2	3	**4**	6+

Estimated number of annual negative returns over any 20 year period - **4.2**

What are the investment return objectives?

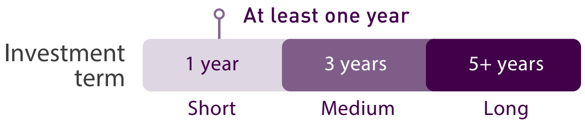
Before tax but after investment management fees, to track the return on the Bloomberg AusBond Composite 0+ Yr Index.

What is the Bloomberg AusBond Composite 0+ Yr Index?

This index is designed to measure the performance of the Australian bond market and includes investment grade fixed income securities issued by the Australian Treasury, Australian semi-government entities, supranational and sovereign entities, and corporate entities.

What's the minimum time you should invest in Bonds?

At least one year.



How have Bonds performed?

What to look for in investment performance?

As Bonds are a defensive asset, investors should expect lower long term returns compared to higher growth assets, although the chance of negative returns should also be lower.

Short term performance can vary. It's important to focus on long term performance and your investment time frame.

How we invest your money

We appoint professional investment managers to invest your money within strict guidelines. We regularly review their performance and can remove managers and add new ones.

For the latest investment returns go to mine.com.au *

What does this mean for my investment choice?

When deciding which investment option is right for you, it's important to focus on how much time you have to invest, how much risk you're comfortable with and how much super you need for retirement. Our **Five Step Guide to Investing** factsheet takes you through these concepts to help you work out the best choice for you. If you're still unsure about the right investment option for you, you should talk to your financial adviser.

Take action

Make an investment choice

Read the **Making an Investment Choice** factsheet then log in to your online account at mine.com.au using your member number or email address and password.

Once you've logged in, select the menu item 'Manage my super' and select 'Change where my super is invested' to make your investment choice.

If you don't want to make a choice we'll invest your money in the default investment option.

Need more information or advice?

If you have any questions or need help call us on 13 64 63, Monday to Friday, 8am to 6pm or email help@mine.com.au

*** Past performance isn't necessarily an indication of future performance.**

^ We've measured risk using the super industry's standard risk measure so you can compare investment options between different funds. The standard risk measure describes risk based on the number of negative annual returns expected over any 20 year period. It's calculated using a simulated model that takes into account factors that may affect returns. This isn't a complete assessment of investment risk, as it doesn't show the size of negative returns, whether you'll meet your investment objective or the impact of fees and taxes on your returns. The real world is complex and not always rational. This means mathematical theories may not always play out in practice. You need to be comfortable with the risk and potential losses of your chosen investment options. Visit mine.com.au for more information about the standard risk measure, the Trustee's risk assessment methodology and other types of investment risk.

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