Pre retirement pensions

How the investment options are invested

Investment option	Aggressive	Growth
Allowable and Target ranges		

Aggressive – Allowable and Target ranges

	Allowable range	Target range
Australian Shares	20–50%	30–45%
International Shares	20–50%	30–45%
Property	0–20%	3–17%
Alternatives	0–40%	5–28%
Cash	0–10%	0-9%

Growth – Allowable and Target ranges

	Allowable range	Target range
Australian Shares	10–50%	23–37%
International Shares	10–50%	23–37%
Property	0–20%	2–16%
Alternatives	0–55%	15–43%
Bonds	0–20%	0–7%
Cash	0–10%	0-9%

Investment option	Aggressive	Growth
Description	Invests primarily in shares, property, unlisted equities, infrastructure and other alternatives that aim to maximise returns by taking greater risk.	Invests mainly in shares, property, unlisted equities, infrastructure and other alternatives that aim to maximise returns by taking greater risk.
Investment objectives	Achieve a return exceeding the increase in the Consumer Price Index (CPI) by at least 3.5% pa, after tax and investment costs, over any ten year period.	Achieve a return exceeding the increase in the Consumer Price Index (CPI) by at least 3% pa, after tax and investment costs, over any ten year period.
Risk profile[1]	**Risk level – high.** Estimated annual negative returns over any 20 year period – 4.5[2]. Minimum time to invest – at least five years.	**Risk level – high.** Estimated annual negative returns over any 20 year period – 4[2]. Minimum time to invest – at least five years.

[1] **About the standard risk measure**
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. For more information about the standard risk measure, the Trustee's risk assessment methodology and other types of investment risk, visit the investment section of our website mine.com.au

[2] These negative returns can be experienced several years apart or several years in a row within the 20 year period.

Balanced

	Allowable range	Target range
Australian Shares	0–30%	11–25%
International Shares	0–30%	11–25%
Property	0–20%	0–13%
Alternatives	0–70%	33–61%
Bonds	0–40%	1–15%
Cash	0–20%	0-9%

Balanced usually invests over half its funds in growth assets, such as shares and property. Growth assets have the potential to provide high long-term returns, but also have the highest short-term risk.

Achieve a return exceeding the increase in the Consumer Price Index (CPI) by at least 2.5% pa, after tax and investment costs, over any ten year period.

Risk level – medium to high.

Estimated annual negative returns over any 20 year period – 3.4[2].

Minimum time to invest – at least three years.

Stable

	Allowable range	Target range
Australian Shares	0–25%	5–19%
International Shares	0–25%	5–19%
Property	0–20%	0–10%
Alternatives	0–70%	28–56%
Bonds	0–50%	22–36%
Cash	0–30%	0–9%

Stable invests primarily in defensive assets, such as cash and bonds. Defensive assets have lower short-term risk, but generally provide lower long-term returns. Stable also invests some of its portfolio in growth assets, such as shares and property. Growth assets have the potential to provide high long-term returns, but also have the highest short-term risk.

Achieve a return exceeding the increase in the Consumer Price Index (CPI) by at least 1.5% pa, after tax and investment costs, over any ten year period.

Risk level – medium.

Estimated annual negative returns over any 20 year period – 2.4[2].

Minimum time to invest – at least three years.

Pre retirement pensions

How the investment options are invested

Investment option	Australian Shares	International Shares	Property
Description	Shares are a growth asset and tend to earn the highest return in the long term and have the highest probability of negative returns in the short term. Australian shares provide access to companies listed on Australia's stock exchange as well as the potential for franked dividends.	Shares are a growth asset and tend to earn the highest return in the long term and have the highest probability of negative returns in the short term. International shares offer diversification benefits when compared to investing solely in Australian shares by providing access to new markets and a wider range of companies. The return from the International Shares investment option is affected by movements in the value of international currencies. This is also known as being 'unhedged'. A rise in value of the Australian dollar will have a negative impact on performance, while a fall in value will have a positive impact on performance.	Property invests in listed property vehicles which own industrial, commercial, retail, central business district and other real estate assets in Australia and overseas. Property is a growth asset that generally provides high long term returns. Property provides returns through both rental income and capital growth and allows investors to diversify a growth asset portfolio. It invests in commercial, industrial and retail property, such as office blocks, warehouses, shopping centres and factories.
Investment objectives	Before tax and after investment management fees, to exceed the return on the S&P/ASX 200 Accumulation Index over moving five year periods.	Before tax and after investment management fees, to exceed the return on the MSCI All Countries World (ACWI) Total Return Index over moving five year periods.	Before tax and after investment management fees, to track the return of a composite benchmark comprising 50% FTSE EPRA/ NAREIT Developed ex Australia Rental Index (hedged) / FTSE EPRA/NAREIT Australia Index[#] over moving five year periods.
Risk profile[1]	**Risk level – high.** Estimated annual negative returns over any 20 year period – 5.5[2]. Minimum time to invest – at least five years.	**Risk level – very high.** Estimated annual negative returns over any 20 year period – 7[2]. Minimum time to invest – at least five years.	**Risk level – very high.** Estimated annual negative returns over any 20 year period – 7.1[2]. Minimum time to invest – at least five years.

[1] **About the standard risk measure**
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. For more information about the standard risk measure, the Trustee's risk assessment methodology and other types of investment risk, visit the investment section of our website mine.com.au

[2] These negative returns can be experienced several years apart or several years in a row within the 20 year period.

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Bonds	Cash
Bonds involve lending money to a corporation or government at a set 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.	Invested in short term fixed interest assets, such as bank bills. Cash is a defensive asset, as it's expected to maintain the value of the principal investment but has relatively low returns.
Before tax but after investment management fees, to exceed the return on the Bloomberg AusBond Composite 0+ Yr Index over moving three year periods.	Before tax but after investment management fees, to exceed the return of an investment compounding at the RBA Cash Rate each year.
Risk level – high. Estimated annual negative returns over any 20 year period – 5.8[2]. Minimum time to invest – from one to five years.	**Risk level – very low.** Estimated annual negative returns over any 20 year period – <0.5. Minimum time to invest – Cash is a short-term investment not suitable for investors who have more than three years to invest their super.