



Investment options

First State Super gives you a choice of eleven investment options, each with a specified investment objective. You can choose to invest in one or more of the investment options in whatever proportions you choose. You can also make different choices for your current account balance, your future contributions and amounts transferred to First State Super from another fund. The pre-mixed investment options provide you with the benefit of diversification by accessing different asset classes, investment styles and managers. The single asset class options allow you to take a greater degree of control over your account by choosing the allocation to each particular asset class.



Pre-mixed options

High Growth

Diversified

Balanced

Capital Guarded

Single asset class options

Australian Equities

Australian Socially Responsible Equities

International Equities

Property

Australian Fixed Interest

International Fixed Interest

Cash

The Trustee is not responsible for your investment choice and does not review your investment choice.

If you select one or more of the single asset class options without adequately diversifying your investment in the Fund, you could be exposing your superannuation benefits to a greater risk of loss.

Please read the section on **The importance of diversification to manage investment risk** on page 8 and you may wish to consult a licensed or authorised financial adviser before making any investment decisions.

Your super is invested in a 'default' option

If you do not choose an investment option or options, your account balance, future contributions and rollovers will be invested in the default option for your age. These are:

- for members up to and including age 55 – the **Diversified** option
- for members age 56 and over – the **Balanced** option.

The default options are pre-mixed investment options, which means they are invested across a range of assets. Investing across a range of assets is one way of reducing the overall risk of your investment. The Trustee selects a mixture of assets for each default option so that the overall risk profile and the target level of return is appropriate, based on the age of members being placed in the default option.

If you do not exercise any choice, your investment will be switched to the Balanced option when you turn 56.

If you make an investment choice at any time you will need to review your choices from time to time because your account balance will not be automatically switched when you turn 56.

Switching investments

You have the flexibility of changing your investment strategy for your current account balance or future contributions at any time. You can do so online (once you receive your user name and password) or by completing a *Choice of investment option* form or for income stream products, a *Change of income stream investment details* form at the back of this Member Booklet Supplement. The first investment switch to your current account balance for a financial year is free but you will be charged \$25 for any subsequent switch to your current account balance during that financial year.

Changes to your future contribution strategy or for income stream products, changes to the pension drawdown choice are free.

If we receive a valid paper or online request from you to switch the investment option(s) for your current account balance, before 5 pm (Sydney time) on a business day, we will process it on the third business day after we receive your request at the unit price(s) applying to the third business day.

Except where a contribution is attached to the *Choice of investment option* form, nominations to change the investment option for your future contributions and transfers received before 5 pm (Sydney time) on a business day will take effect on the next business day after the receipt of a valid paper or online request. Where a contribution is attached, the nomination takes effect when it is invested in the nominated option.

If you choose another option

If you want more control over your super, or you wish to choose a different investment option to take into account investments you may have outside of super, you can choose to invest in one or more of our 11 investment options. Make sure that you read all of the information in this document before making a decision. You should choose investment options to suit your personal objectives, financial situation and needs and you should consider seeking advice from a licensed or authorised financial adviser before you choose or change your investment option(s).

What you need to know about the investment options

Every option has an investment objective

Each investment option has a stated objective which is the desired investment outcome for the option. Investment objectives vary with the level of risk associated with the asset(s) that make up the option. Keep in mind when reviewing the options' objectives that they are simply tools to monitor performance and not a forecast of future returns or prediction of the earnings on your investment.

For each pre-mixed option, the investment objective includes a **target return**, which is expressed as a target level of return above inflation (as measured by the Consumer Price Index) over rolling time periods.

For each single asset class option, the investment objective includes a **benchmark** to measure the performance of each option. Usually, the benchmark applied is a common market indication so, for example, the benchmark for shares would usually be a stock exchange index for the performance of the broad market.

The Trustee will review and may change the investment objective of an investment option from time to time (including its benchmark or target return).

Each pre-mixed option is invested in assets such as shares, property and cash

To achieve the investment objective of each pre-mixed investment option, we select a long-term target proportion of growth assets to income assets that is most likely to meet the option's investment objective. The long-term target proportion of growth assets and income assets is called the strategic asset allocation.

- **Growth assets** have the potential to achieve capital growth over the medium to long term. Typically, they are investments in property and Australian and international shares. Historically, it has been found that while in the long term these types of assets have the potential to produce greater benefits, they can be more volatile (or risky) in the short term when compared with income assets and they have a greater potential to produce negative returns in the short to medium term.
- **Income assets** generally provide a fixed income and include bonds, bank bills, debentures and cash. These investments are generally considered to be less risky than growth assets, but at times, they can produce a negative return.

The actual asset mix will vary over time. We monitor the extent to which the actual asset allocation is consistent with its strategic asset allocation and, where necessary, take steps to maintain the actual asset allocation within a margin of + or - 10% of the strategic asset allocation. The Trustee may review and vary the strategic asset allocation for a pre-mixed investment option from time to time without notice.

To maintain the strategic asset allocation, the Trustee sets a target proportion allocated to each particular asset type (such as shares, property, fixed interest and cash) each of which is classified as a 'growth' or an 'income' asset. This is called a target asset class allocation. While we may change the target asset class allocation from time to time without notice, it will always remain within the ratio of growth to income assets of the option's strategic asset allocation.

Each option has a certain level of risk



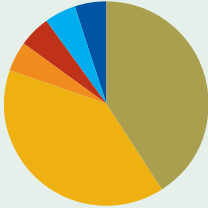
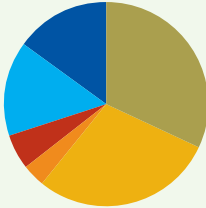
Each investment option has a risk profile, ranging from low to very high. The risk profile of an investment option depends on the risk profile(s) of the assets that make up the option.

Generally, assets with a higher risk profile are likely to fluctuate more in value in the short term, so they have a greater possibility of falling in value – and by larger amounts. On the other hand, they have the potential to deliver higher average returns over the long term.

Investment objectives are to be achieved over time



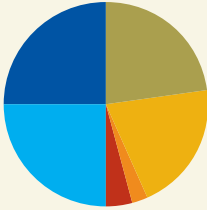
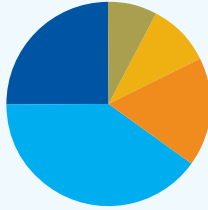
Investment objectives also vary with an option's investment time horizon. The investment objective of each option takes into account the volatility of the underlying assets (the likelihood of large gains or falls) by specifying that the aims of the option are expected to be achieved over a particular time period (eg. 10+ years for the higher-risk options).

The pre-mixed investment options in detail

	High Growth	Diversified (default option – up to and including age 55)
Investment objective and target return* Refer to page 2 for information on investment objectives and target returns.	This option aims to achieve high long-term real (above inflation) investment growth. Target return: CPI + 4% pa over rolling 5-year periods net of tax and fees.	This option aims to achieve high long-term real (above inflation) investment growth. Target return: CPI + 3.75% pa over rolling 5-year periods net of tax and fees.
Strategic asset allocation Growth Income	 90% growth assets 10% income assets	 70% growth assets 30% income assets
Risk profile	Very high risk	High risk
Target asset class allocation	 <ul style="list-style-type: none"> 41.0% Australian equities 39.5% International equities 4.5% Alternative assets 5.0% Property trusts 5.0% Fixed interest 5.0% Cash and short-term income-producing assets 	 <ul style="list-style-type: none"> 32.0% Australian equities 29.0% International equities 3.5% Alternative assets 5.5% Property trusts 15.0% Fixed interest 15.0% Cash and short-term income-producing assets
Investment time horizon	Long term (10+ years)	Medium to long term (5–10 years)

* NOTE: These objectives and target returns do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

The pre-mixed investment options (continued)

	Balanced (default option – age 56+)	Capital Guarded
Investment objective and target return*	This option aims to achieve medium-term real (above inflation) growth with a balance of growth and income assets. Target return: CPI + 3.25% pa over rolling 5 year periods net of tax and fees.	This option aims to achieve consistent returns with an emphasis on income assets. Target return: CPI + 2.75% pa over rolling 5 year periods net of tax and fees.
Strategic asset allocation	 <p>50% growth assets 50% income assets</p>	 <p>25% growth assets** 75% income assets**</p>
Risk profile	Medium risk	Low risk
Target asset class allocation	 <ul style="list-style-type: none"> 23.0% Australian equities 20.5% International equities 2.5% Alternative assets 4.0% Property trusts 25.0% Fixed interest 25.0% Cash and short-term income-producing assets 	 <ul style="list-style-type: none"> 8.0% Australian equities 10.0% International equities 17.0% Alternative assets# 40.0% Fixed interest 25.0% Cash and short-term income-producing assets
Investment time horizon	Medium term (3–5 years)	Short to medium term (up to 3 years)

* **Note:** These objectives and target returns do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

** Prior to 1 October 2011, the strategic asset allocation for the Capital Guarded investment option was 30% growth and 70% defensive. The change to the strategic asset allocation will be implemented from 1 October 2011 but achieved over time.

Alternative assets consist of both growth and defensive assets.

Single asset class options in detail

	Australian Equities	Australian Socially Responsible Equities
Asset allocation	100% Australian equities.	100% Australian equities.
Objective*	This option aims to achieve high long-term real (above inflation) investment growth. The portfolio is designed to deliver returns typical of a diversified range of listed Australian shares and will be benchmarked against the Australian S&P ASX 300 Accumulation (ie. with dividends re-invested) Index.	This option aims to achieve high long-term real (above inflation) investment growth. The portfolio is designed to deliver returns typical of a diversified range of listed Australian shares which have been screened to meet socially responsible criteria and will be benchmarked against the Australian S&P ASX 300 Accumulation (ie. with dividends re-invested) Index.
Risk profile	Very high risk – can deliver negative returns over short-term time horizons.	Very high risk – can deliver negative returns over short-term time horizons.
Investment time horizon	Longer term (10+ years)	Longer term (10+ years)

	International Equities	Property
Asset allocation	100% International equities.	100% Listed and unlisted property trust units.
Objective*	This option aims to achieve high long-term real (above inflation) investment growth. The portfolio is designed to deliver returns typical of a diversified range of shares listed on a range of international markets, and will be benchmarked against the Morgan Stanley Capital International (MSCI) World Equity Index. The Fund's currency hedging policy is designed to reduce the effects of an adverse movement in the value of the Australian dollar. The currency hedge ratio can vary over time.	To achieve moderate to high real (above inflation) investment growth. This portfolio invests in a range of both listed and unlisted property trusts, with diversification by fund managers and by type of property exposure (eg. commercial/office, retail and/or industrial). Property tends to produce investment returns which generally reflect both rental income (which behaves like fixed income securities) and capital growth (through potential for rising rental streams).
Risk profile	Very high risk – can deliver negative returns over short-term time horizons.	Moderate to high risk – can deliver negative returns over short-term time horizons.
Investment time horizon	Longer term (10+ years)	Medium to long term (5–10 years)

* **Note:** These objectives and target returns do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

Single asset class options (continued)

	Australian Fixed Interest	International Fixed Interest
Asset allocation	100% Australian fixed interest securities.	100% international fixed interest securities.
Objective*	This option aims to achieve investment returns above inflation over the medium term. The portfolio is designed to hold a diversified range of interest-bearing securities, and its performance is benchmarked against the UBSW Composite Bond Index. Although fixed income securities typically deliver a steady stream of investment returns, over short time periods fixed income portfolios can deliver low or even negative investment returns.	This option aims to achieve investment returns above inflation over the medium term. The portfolio is designed to hold a diversified range of interest-bearing securities, and its performance is benchmarked against the JP Morgan World Government Bond Index. Although fixed income securities typically deliver a steady stream of investment returns, over short time periods fixed income portfolios can deliver low or even negative investment returns.
Risk profile	Medium risk – can deliver low or negative returns over short-term time horizons.	Medium risk – can deliver low or negative returns over short-term time horizons.
Investment time horizon	Moderate term (3–5 years)	Moderate term (3–5 years)

	Cash
Asset allocation	A combination of bank deposits and/or short-term income-producing securities. Up to 10% of such assets may have a duration to maturity of up to three years. All other deposits and securities will have a duration of up to one year.
Objective*	To achieve investment returns which match the returns available on cash investments. This option focuses on short-term assets.
Risk profile	Low risk
Investment time horizon	Short term (up to 2 years)

* **Note:** These objectives and target returns do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

Our performance

We keep our website up-to-date with the latest investment performance for each investment option, as well as daily changes in unit prices. You will also receive regular updates on the investment performance of each of our investment options, or you can contact us for this information at any time.



Asset class descriptions

Equities

Equities (also known as shares) are a portion or share of a company that can generate capital gains – and losses – as well as dividend income. The investment return will depend on how the company performs over time and on economic factors.

Over the long term, returns from equities in the past have generally tended to be higher than those achieved by property, fixed interest and cash. However, in the short term, performance tends to have more ups and downs, and in some years, the returns may be negative. Equity investments can be very volatile in price and therefore are subject to a higher degree of risk.

First State Super can invest in both Australian and international equities. Investments in international equities may be partially hedged, which means that the investment is partially protected against losses arising from decreases in the value of the Australian dollar.

Alternatives

Alternative assets include a wide range of investments such as:

- private equity (eg. investing in an unlisted company)
- infrastructure (eg. investing in assets such as gas pipelines, airports and road or toll ways), and
- market-neutral and hedge funds, which typically use equities and bond trading options to deliver high investment returns at lower levels of risk.

The range of investments includes listed and unlisted securities and may include extensive use of derivatives.

Alternative investments are very broadly diversified in First State Super because individual investments can produce extremely high, or low, investment outcomes.

Components of property or property securities may be included in the alternatives asset class, although a defined subset for property is available as a separate asset class in its own right.

Property

The Fund may invest directly in office buildings, shopping centres, industrial estates and other similar property investments known as direct property investment. The Fund may also hold units in property trusts, which invest in a variety of properties. These trusts may be listed on the Australian Securities Exchange (these are called listed property trusts) or they may be unlisted.

Like shares, a property investment is generally suitable for long-term investment as there is an expectation of some ups and downs in the short term. Property investments are subject to a moderate to higher degree of risk.

Fixed interest

Fixed interest investments are issued to investors by Australian and overseas governments, semi-government authorities and companies in return for cash. Interest is paid to investors over the life of the investment, usually at a fixed rate. These investments can generally be sold before they mature, potentially resulting in capital gains or losses, depending on whether interest rates have changed since they were purchased.

International fixed interest investments are hedged so that they are protected against losses arising from decreases in the value of the Australian dollar.

The returns from fixed interest investments are generally less volatile (the likelihood of ups and downs in value) than shares and property but have a lower expected return over the long term.

Cash

The Fund's cash asset class includes short-term interest bearing investments. Generally, the likelihood of losing the initial investment in the cash asset class is the lowest of any asset class. However, the value of short-term interest-bearing investments will move up and down with rises or falls in interest rates, and short-term falls in value can occur. While volatility (the likelihood of ups and downs) within the cash asset class is low, over the long term the returns are likely to be lower than those for fixed interest, property and equities.

Professional investment managers invest your money

We employ the services of external managers to manage the Fund's investments. We provide you with up-to-date lists of our appointed investment managers in the First State Super Annual Report Highlights.

Investment risk

All investments have some risk associated with them. Your super is invested in different types of assets (such as shares, property and cash) each of which has the potential to rise or fall in value. Each asset class has a different risk profile, ranging from low to very high. Generally, an asset class with a higher risk profile is more likely to fall in value in the short term (and by larger amounts), but has the potential to deliver greater returns in the long term.

The risk profile of each investment option depends on the asset class(es) that make up the option. The risk profile for each single asset class investment option reflects the risk profile of the particular asset class. Each pre-mixed investment option is made up of a mixture of asset classes, so the overall risk profile for each pre-mixed option depends on the proportion allocated to each asset class. See the tables on page 3 to 6 to see the risk profile of each of the 11 investment options.

The importance of diversification to manage investment risk

Generally speaking, you can reduce the overall risk of your investment in the Fund by investing across a number of different asset classes. This is called diversification (diversification is a bit like saying "don't put all your eggs in one basket"). Diversification reduces the overall investment risk because all asset classes are subject to varying risks and so different types of asset classes will perform differently at different times. You can diversify your investment by either investing in the pre-mixed options, which have a mixed portfolio of assets, or by investing in a variety of single asset class options.

Single asset class options

If you wish to more actively manage your investment, the Fund's single asset class investment options may suit you. If you choose to invest in the Fund's single asset class options you should understand that there is additional investment risk in so much as the value of your investment may not be adequately diversified.

Your risk profile (risk and return)

Generally, asset classes with a higher risk profile have a greater possibility of falling in value in the short term (and by greater amounts), but have the potential to deliver higher average returns over longer periods. In making decisions about how your super should be invested, you should consider whether you are willing or able to tolerate a greater possibility of negative movements in your account balance in exchange for the likelihood of higher average returns.

If you are unable or unwilling to tolerate negative movements in your account balance over short time periods due to investment volatility, then you are generally considered to be risk averse, and the investment behaviour of fixed interest and cash investments is likely to be more in line with your expectations. If you can tolerate negative movements in your account balance due to investment volatility, but seek a higher average return over the longer term, then you may be able to tolerate the variability of investment returns (from potentially large negative through to large positive investment returns) which are earned on shares. This trade off between sensitivity to short-term negative returns versus the desire to earn higher average returns over time is called your risk/return profile.

It is difficult to forecast investment returns. While shares will typically deliver higher average returns than fixed interest and cash in the longer term (7–10 years), it is also quite possible for shares to deliver back-to-back years of negative returns, and in some cases, large negative returns. If you are investing only for a few years, you may seek a low risk/return profile. If, however, you have a number of years to invest, you may be able to tolerate a higher risk/return profile.

Before determining the proportion you wish to allocate to the single asset class options, you should assess your risk/return profile and the level of diversification you require.

Types of investment risk

All investments have some risk associated with them. Your investment in the Fund could rise or fall in value and produce a return which is less than you anticipate. Rises and falls in value can occur rapidly and for a variety of reasons. The types of investment risks which may have an impact on your investment in First State Super (in any investment option) include:

- **Individual asset risk** – the risk attributable to individual assets within a particular asset class.
- **Market risk** – the risk of adverse movements within an investment market due to factors such as economic conditions, government policies, changes in the level of interest rates and inflation, technological developments and demographic changes which, in turn, can adversely affect the value of your investments. A component of market risk is credit risk. Credit risk is the risk that a company will not pay its debts as and when they fall due. Credit risk has become topical because of the difficulty a number of companies have had in rolling over their debt facilities as they fall due, causing re-assessments about the business being able to continue to operate.
- **Political risk** – domestic and international political instability can impact your investment.
- **Inflation risk** – the risk that while your investment may produce a positive return, when compared to the increased cost of living, it may have reduced purchasing power.
- **Timing risk** – the risk that, at the date of investment, your money is invested at higher market prices than those available shortly afterwards. Alternatively, it can also mean the risk that, at the date of redemption, your investments are redeemed at lower market prices than those that were recently available or that would have been available shortly afterwards.
- **Investment manager risk** – the risk that a particular investment manager will underperform compared to other managers of the same type (this could be, for example, because their view on markets is inaccurate or because of their investment style or because they lose key investment personnel).

- **Liquidity risk** – the risk that investments may not be able to be converted to cash within the necessary timeframe. In normal conditions, it is feasible to estimate how quickly an asset could be sold and the proceeds received. During 2007-08 and 2008-09, an increasing focus was on whether some assets simply could not find a buyer, at any price. Ongoing professional portfolio management is designed not only to assess liquidity risk, but also the circumstances under which some assets may be temporarily illiquid. Portfolios need to be monitored for a range of market conditions.
- **Currency risk** – the risk that, where we invest overseas, and the currency of the countries in which we invest decreases in value relative to our dollar, the value of the investments will decrease.
- **Counterparty risk** – the risk that a counterparty to a contract or obligation will be unable to meet its obligations as they fall due.

Use of derivatives

Derivatives, such as futures or options, are investment products whose value is 'derived' from other investments. For example, the value of a share option is linked to the value of the underlying share.

Investment managers may use derivatives in managing investment portfolios for the Trustee and in managing pooled investment vehicles in which the Trustee invests.

The Trustee may use derivative instruments for purposes such as managing risk (for currency hedging among other things). Losses from derivatives can occur due to market movements.

First State Super can only use derivatives:

- as hedging instruments against existing positions
- as a way to implement investment positions efficiently, and
- for asset allocation purposes.

The Trustee does not use derivatives for speculative purposes. However, where the investment is in a unit trust offered by an investment manager, particularly in the alternative investment asset class sector, it is possible that the governing deeds and documentation of the unit trust allows for derivatives to be used for speculative purposes. They can only do so as part of a very broadly diversified investment option. Investment managers must not hold derivative contracts unless there are, at all times, sufficient assets in the relevant sector of the portfolio to support the underlying liability under each contract.

Corporate citizenship and socially responsible investing

Investment and corporate citizenship

Investment managers are requested to report their corporate citizenship goals and strategies to the Trustee. Corporate citizenship reports may include a wide variety of issues such as the exercise of proxy voting, economic or environmental sustainability, community participation and sponsorship. In addition, some manager's proxy voting activity is benchmarked against recommendations of an external corporate governance consultant and monitored by the Trustee.

The Australian Socially Responsible Equities option

The Trustee has engaged external professional managers to manage the investments for the Australian Socially Responsible Equities option and takes labour standards and environmental, social and ethical considerations into account when selecting external managers. However, the Trustee has no pre-determined views about what it regards to be a labour standard or an environmental, social or consideration for the purposes of the Australian Socially Responsible Equities option.

Each external manager has its own 'socially responsible investment guidelines' on what constitutes labour standards and environmental, social and ethical considerations and the methodology for taking these standards and considerations into account when selecting, retaining and realizing investments in the Australian Socially Responsible Equities option.

However, as the Trustee may change the external managers for the Australian Socially Responsible Equities option at any time without prior notice, a change in manager may result in a change to the socially responsible investment guidelines applicable to the Australian Socially Responsible Equities option.

The following is a summary of the socially responsible investment guidelines currently applicable to the Australian Socially Responsible Equities option.

Socially responsible investment guidelines are regularly reviewed by the external managers, however, there is no set timeframe for each review. If the review process identifies that an investment ceases to comply with the manager's socially responsible investment guidelines, the manager will usually sell the investment within the next six months. An investment may also be sold for other reasons, for example, financial reasons.

Investments for the Australian Socially Responsible Equities option are both:

- negatively screened, and
- positively screened either to seek companies with a 'sustainable' approach to the production of goods or services or, for companies with a less sustainable approach who have strong environmental, social and governance performance.

Negative screening means that the Australian Socially Responsible Equities option is not invested in companies with material exposure (exposure of 10% or more) to the following:

- Uranium: companies which directly mine uranium for the purpose of weapons manufacture. However, companies that mine or use uranium primarily in relation to power generation may be approved for investment.

- Weapons: manufacturers of weapons and armaments.
- Alcohol: producers of these products.
- Gaming: manufacturers and providers of gaming facilities.
- Depending on the investment manager, negative screening would also result in the exclusion of companies with material exposure to:
- Pornography: producers and providers of pornographic materials.
- Environment: companies that the investment manager considers have committed significant or recurrent environmental offences within the last three years, or have been successfully prosecuted and required to provide remedies within the last year. Environmental offences are offences which have been prosecuted by Australian State environmental protection agencies and which have been drawn to the attention of the investment manager by various international monitoring agencies, media reports or a company's own voluntary disclosures as well as those which have been looked into by local governmental authorities.
- Human rights: companies that have breached human rights, anti-discrimination or equal opportunity legislation within the last three years, or which have been required to pay compensation or provide remedies for such breaches within the last year. Breaches of human rights are taken to be breaches where cases have been found against companies by the United Nations Human Rights Committee, the Commonwealth Human Rights and Equal Opportunity Commission, Australian State Anti-discrimination and Equal Opportunity tribunals and various international forums on corporate performance regarding human rights.

Positive screening means that companies that meet the investment manager's criteria in 'sustainable' products and services are actively identified.

This includes companies which rate well based on the manager's valuation driven process but also offer products or services which meet one or more of the following:

- Demonstrate the most socially and environmentally sustainable performance outcomes in sectors such as education and training, health care, renewable energy, waste management and mass transport.
 - Provide or enact some environmental and/or social benefits through management and/or remediation of environmental resources (eg. clean technology, waste and emission reduction, waste management reduction and recycling systems, technologies and services).
 - Demonstrate or enable reduced adverse environmental and social impacts (including consumption of scarce resources) relative to currently used products or services (covering a range of specialised industry sections including material efficiency development and improved management of scarce resources).
 - Companies exhibiting good environmental practices. In assessing this, the investment manager has regard to environmental standards, particularly domestic and international environmental law, a company's level of development of environmental management systems, such as the ISO 14001 environmental management standard, and environmental performance outcomes.
 - Companies exhibiting good work place practices. In assessing this, the investment manager has regard to labour standards, particularly:
 - Occupational health and safety. The investment manager considers the manner in which a company deals with its workforce to be a key driver to long-term sustainability. The investment manager assesses a company's performance by its approach relevant to State and Territory occupational health and safety legislation, as well as its willingness to submit to the rigours of national labour standards, such as Australian Standard AS4801 ('Occupational Health and Safety Management Systems') and international labour standards (such as the International Labour Organisation Core Standard, UN Declaration of Human Rights) that relate to the workplace, and employment laws.
- Human resource management and workplace relations. This encompasses a company's responsibilities to its own employees in terms of human resource issues. The investment manager assesses a company's performance by monitoring regulatory compliance (including industrial disputes and human rights and equal opportunity applications), but this analysis also focuses more broadly on a range of qualitative criteria including equal opportunity, consultation and participation in the workplace.
 - Established corporate governance procedures and ethics. This analysis focuses on:
 - The manner in which organisational values are established, embraced and reported both within and outside an organisation (eg. clear and coherent codes of conduct and compliance with corporate governance standards), and
 - The way in which these values are reflected in the company's management processes (eg. policies regarding director share ownership, remuneration procedures and forward-looking succession planning).

Investment options other than the Australian Socially Responsible Equities option

While we do take into account labour standards, environmental, social and ethical considerations when choosing managers for the Australian Socially Responsible Equities option, we do not take these matters into account when choosing managers for the other investment options. While managers may have their own policies on the extent to which they take such matters into consideration when making investment decisions, to the best of First State Super's knowledge, managers do not take into consideration labour standards or environmental, social or ethical considerations when managing the investments in respect of the other investment options.

5. Declaration (to be completed by all applicants)

- I have read and understand the current version of the *Member Booklet Supplement: Investment options*.
- I acknowledge that the repayment of capital or the performance of any investment option is not guaranteed.
- I understand that my nomination to change the investment option in which my current account balance and/or my future contributions and transfers will be invested will override and change any choice made by me previously. I further understand that any nomination made by me using the *Request to transfer benefits to First State Super* form will be treated independently of this nomination.
- I understand that any requested change to the investment options for my current account balance will be processed on the third business day after receipt of a valid switch request at the unit price(s) applying to the third business day.
- I understand that any requested change to the investment options for my future contributions will take effect on the next business day after receipt of a valid switch request.
- I understand that where a contribution is attached, a nomination to change the investment options for my future contributions will take effect when the contribution is invested in the nominated option.
- I understand that a valid switch request cannot be withdrawn or altered and that I will have to submit a new switch request should I wish to make changes to my investment choice.
- I understand that, unless this is the first investment switch to my current account balance for this financial year, a fee of \$25 will be deducted from my account for this instruction.
- I understand that if I was previously invested in the Trustee's default option because I had never made an investment election, then by choosing one of the investment options listed on this form, the automatic aged-based switch from the Diversified option to the Balanced option at age 56 will not apply to me.
- I understand that while unit prices are issued daily, the Trustee may refuse to issue units or make a payment from an investment option in the event that the Trustee believes it is unable to calculate a fair unit price.
- **I understand that I will receive a confirmation letter which confirms the changes made to my account. If these changes are not consistent with my instructions I acknowledge that I must contact First State Super immediately.**

Name (Print in BLOCK LETTERS)

Signature

Date



Return the completed form to First State Super PO Box 1229 WOLLONGONG NSW 2500

If you have any further enquiries please call Customer Service on **1300 650 873** between 8:30 am and 5:30 pm AEST from Monday to Friday for the cost of a local call (unless calling from a mobile or pay phone).

Privacy notice

The information you provide on this form is collected by and held for First State Super by the fund Administrator, Pillar Administration, in accordance with the National Privacy Principles of the Privacy Act 1988 (Cth). For further information about privacy, please phone Customer Service on 1300 650 873 or visit www.firststatesuper.com.au to view the Privacy Policy.

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2. New investment option choice (continued)

Acknowledgement of investment in a single asset class option

I have chosen to invest in a single asset class investment option and acknowledge I have read the current version of the *Member Booklet Supplement: Investment options* and I understand the risks associated with investing in single asset class investment options. I understand that I can reduce the overall risk of my investment in First State Super by investing (or diversifying) in one or more of the pre-mixed investment options or across a variety of single asset class investment options.

Signature

Date

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3. Payment drawdown choice

Complete this section if your account is invested in **two or more investment options** and you wish to nominate or change the order in which your payments are deducted from your investment options (eg. High Growth first, Diversified second, etc). **NOTE: If no selection is made**, your income stream will be deducted from your investment options in proportion to the balance in each investment option at the time of withdrawal. For example, if you have 50% invested in Australian Equities and 50% in High Growth, your income stream payments will be drawn **equally** from these two investment strategies. Any changes to a payment drawdown choice will take effect four business days after receipt of a valid request. Please note that you must have sufficient funds in the nominated options for your drawdown instructions to be carried out.

Investment Option	Order in which you would like payments deducted (1, 2, 3...etc)	Investment Option	Order in which you would like payments deducted (1, 2, 3...etc)
High Growth	<input type="checkbox"/>	International Equities	<input type="checkbox"/>
Diversified	<input type="checkbox"/>	Property	<input type="checkbox"/>
Balanced	<input type="checkbox"/>	Australian Fixed Interest	<input type="checkbox"/>
Capital Guarded	<input type="checkbox"/>	International Fixed Interest	<input type="checkbox"/>
Australian Equities	<input type="checkbox"/>	Cash	<input type="checkbox"/>
Australian Socially Responsible Equities	<input type="checkbox"/>		

4. Member declaration (to be completed by all applicants)

- I have read and understand the current version of the *Member Booklet Supplement: Investment options*.
- I acknowledge that the repayment of capital or the performance of any investment option is not guaranteed.
- I understand that any requested change to the investment options for my current account balance will be processed on the third business day after receipt of a valid switch request at the unit price(s) applying to the third business day.
- I understand that any change to my payment drawdown choice will take effect four business days after receipt of a properly completed and signed request.
- I understand that a valid switch request cannot be amended or revoked and that I will have to submit a new switch request should I wish to make changes to my investment choice.
- I understand that, unless this is the first investment switch to my current account balance for this financial year, a fee of \$25 will be deducted from my account for this instruction.
- I understand that if I was previously invested in the Trustee's default option because I had never made an investment election, then by choosing one of the investment options listed on this form, the automatic aged-based switch from the Diversified option to the Balanced option at age 56 will not apply to me.
- I understand that while unit prices are issued daily, the Trustee may refuse to issue units or make a payment from an investment option in the event that the Trustee believes it is unable to calculate a fair unit price.
- **I understand that I will receive a confirmation letter which confirms the changes made to my account. If these changes are not consistent with my instructions I acknowledge that I must contact First State Super immediately.**

Signature

Date

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Contact information

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Email: enquiries@firststatesuper.com.au

This document is of a general nature and does not take into account your specific objectives, financial situation or needs. Before making a decision about First State Super, consider your financial requirements and read the Product Disclosure Statement for the First State Super product you currently hold or are considering. The PDS is available from www.firststatesuper.com.au or by calling 1300 650 873. This document is issued by FSS Trustee Corporation (the Trustee) ABN 11 118 202 672 AFSL 293340 the trustee of the First State Superannuation Scheme ABN 53 226 460 365 (First State Super; the Fund). This document is dated 1 October 2011.