

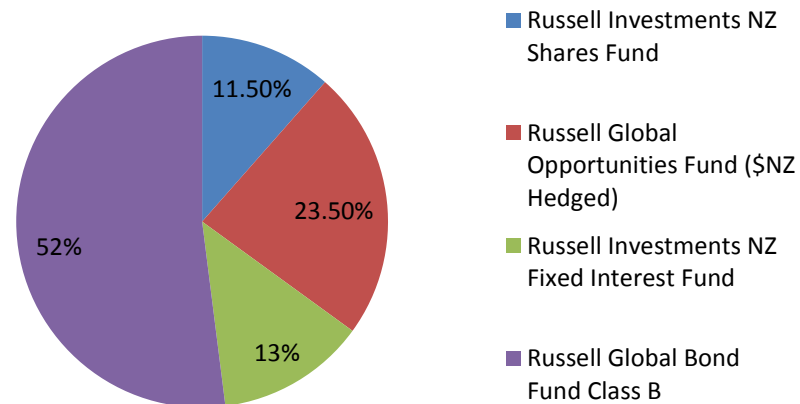


# Investment Choice

# Current Investment Choice

- Members do not have options that take into account their personal choice of the level of risk that their funds are invested.
- Investment exposure for the scheme is obtained via investment through managed funds offered by Russell Investments.
- The current benchmark asset allocation is as follows:

## Benchmark Asset Allocation



# Proposed Investment Choice

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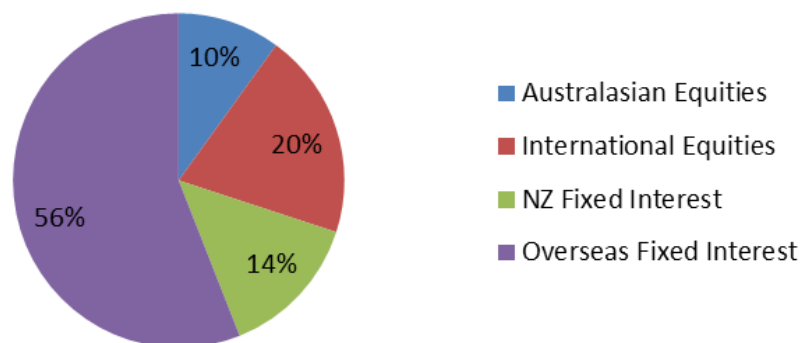
- Offer members three different choices of investment each with their own risk/return profiles
- Members may invest in up to two investment funds in any proportion that they wish
- Members entitled to rebalance their investments by one free switch between investment funds in any 12 month period with an administrative charge for any subsequent switches.
- The Conservative fund will be the ‘default fund’ for members who do not select which investment fund to invest into.\*
- Investment exposure will continue to be obtained via investment into managed funds offered by Investment Managers selected by the CINSF from time to time.

\*It is proposed that the Conservative Fund will be the ‘default fund’ for Pension Accounts.

# Conservative Fund (default fund)

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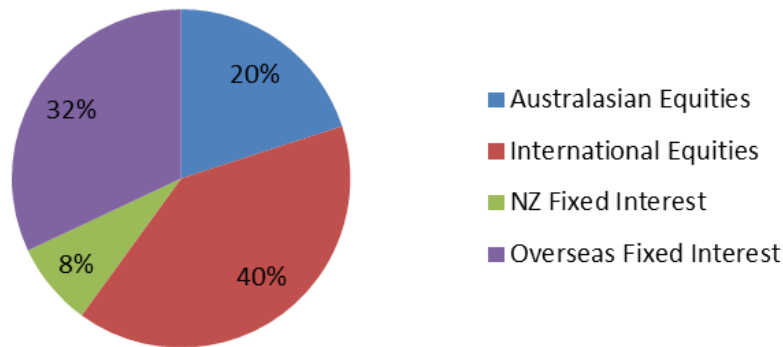
- **Investment objective:** to produce rates of return over time in excess of inflation by investing a small percentage of the assets in growth assets while keeping the probability of a negative return at low levels.
- **Generally suitable for:** members with a short investment time-frame (one to five years) or those who are risk averse but can tolerate the occasional decline in the value of their account.
- **Risk profile:** low-medium risk
- **Benchmark asset allocation:**



# Balanced Fund

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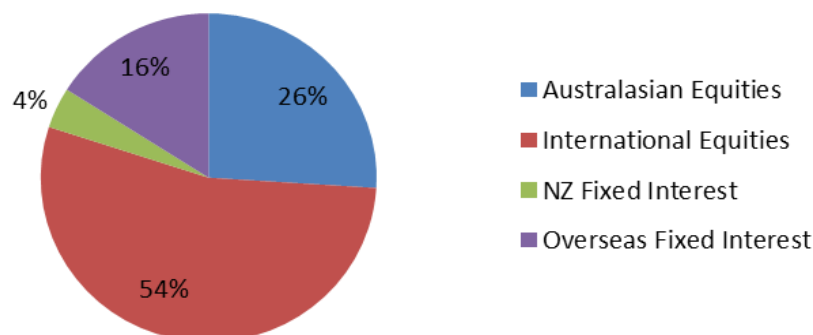
- **Investment objective:** produce returns in excess of inflation appropriate for a long term investment strategy for retirement.
- **Generally suitable for:** members with a medium-term investment time-frame (five to ten years) or those who have a moderate appetite for risk and tolerance for declines in the value of their account.
- **Risk profile:** medium risk
- **Benchmark asset allocation:**



# Growth Fund

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- **Investment objective:** to produce rates of return over time well in excess of inflation by investing the majority of the assets in growth assets (e.g. equities).
- **Generally suitable for:** members with a longer investment time-frame (in excess of ten years) and who have a greater tolerance for declines in the value of their account.
- **Risk profile:** High risk
- **Benchmark asset allocation:**



# Implementation

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## ■ Actions required:

- Finalise Statement of Investment Policy and Objectives
- Arrange changes to administrative procedures
- Amend Trust Deed
- Amend Member Booklet
- Communicate changes to all members

## ■ Target implementation

- 1 July 2015

# Disclaimer

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- *The information in this presentation is not intended to be advice. Professional investment advice should be taken before making any investment.*
- *The information contained in this presentation does not constitute an offer, an advertisement in respect of an offer or a proposal or an invitation to make an offer to sell, or a recommendation to subscribe for membership or purchase, any units or securities.*
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