



Super SA Select
**Investment
Guide**

This document forms part of the Product Disclosure Statement dated 20 January 2025.



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Let's talk about your Super Investments

Welcome to the Super SA Select Investment Guide, where you'll find all the information you need to develop a better understanding of where your money goes and how to grow your super.

Super is a long term investment and it's important that you know how it works so that you can make the right investment choices.

Super SA Select has two investment choices available for you to choose from:

- Balanced option, which is invested across a range of assets. These assets include cash, fixed interest, property and shares and can be affected by factors including interest rates, inflation and global financial markets.
- Cash option.

At Super SA, together with our investment manager Funds SA, we regularly review the investment strategies and options available to you. Providing you the freedom to choose the investment options that are right for you.

1. What happens to my funds?

When you receive contributions or roll in funds from another super fund (i.e. deposits), the money is used to purchase units in your investment option(s).

The number of units purchased in each option will depend on the value of the units on the business day they're purchased. This value, or unit price, represents a share of the underlying investments in the investment option(s). A change in the unit price reflects changes in the value of the underlying investments, the total of which determines the value of your account.

Your account balance is the sum of the number of units you hold in each investment option multiplied by the unit price for a given day.

While unit prices are determined each business day, investment options have been framed for investment time horizons of up to ten years and beyond. It is important to keep this in mind when looking at returns over shorter periods.

When you join Super SA Select, you can choose to invest your super across the investment options available to you. If you don't choose an investment option your funds will automatically be invested in the Balanced option (see Investment options section for further information).

Unit prices are generally calculated for applicable transactions as follows:

The day that your transaction is processed and effective	The unit price for the 'transaction date' is being calculated	Unit price for the 'transaction date' is received and your transaction is completed
This is the 'transaction date'	This happens on the business day after the 'transaction date'	This generally happens on the second business day and is the date your transaction is completed

Responsible Investing

At Super SA, we understand our members may be interested in how their superannuation is invested and how those investments impact our broader community. Funds SA, as the investment manager, determines the approach to responsible investing to support long-term investment outcomes.

Funds SA defines responsible investment as a financial outcomes-focused approach that complements traditional investment analysis through consideration of Environmental, Social (including labour standards), and Governance (ESG) factors in investment analysis and investment Stewardship. Funds SA is a signatory to the UN-supported Principles for Responsible Investment (PRI). PRI signatories undertake to consider ESG factors in their investment decision-making and ownership practices.

Funds SA takes ESG factors into account using the following approaches:

- ESG Integration – the process of considering ESG issues and opportunities in investment analysis and decision making. The materiality of an ESG issue is determined by the potential impact of the issue on investment returns. Funds SA implements this by considering ESG factors before investments are made and during ongoing monitoring activities. This includes an assessment of the ESG processes of external investment managers as well as analysis of the ESG issues within investment opportunities across broad themes, like climate change.
- Investment Stewardship - the responsible oversight and management of investments, including through proxy voting, engagements, and class actions. Funds SA directly exercises the voting rights of certain Australian securities, engages with external investment managers and companies, and has a class actions program.
- Labour standards, ESG and ethical considerations form part of Funds SA's investment activities and day-to-day operations in accordance with Funds SA's Responsible Investment Policy and Conflicts Management Framework as well as the Code of Ethics for the South Australian public sector. Funds SA's external investment managers have differing ESG approaches. Funds SA assesses the ESG processes for each external investment manager on an ongoing basis. Remedial action or divestment may be taken where an external investment manager's approach is inconsistent with Funds SA's responsible investment approach, on a case-by-case basis. There is no single methodology adopted for taking ethical considerations into account in investment activities.

The above approach applies to all investment options.

For more information about Funds SA's Responsible Investment process, please refer to the Responsible Investing section on the Super SA website.

2. Risk and returns

One of the most important concepts to consider when making an investment decision is that of risk and return. All investments, including super, have some level of risk.

As a Super SA Select member you should be aware that capital losses are possible, depending on the investment options you choose and their performance over time. This is due to the volatility of investment markets.

This volatility is a normal part of investing and can occur with monies you may have in other super funds, the share market and other types of investments.

Strategies have been developed for both options targeting the best balance of risk versus return.

Each option has its own:

- Objective: what does the option aim to achieve?
- Investment Time Horizon: what is the length of time needed to reach the earning potential of your investment?
- Risk: what is the relative risk involved in the option?
- Asset Class Mix: what mix of investments makes up the option?

Each Super SA Select investment option has a different level of risk and return, as shown in the table on the next page.

! Let's simplify the jargon

Yes, it may sound like a foreign language at times, but you can't talk about investments without using at least some investment jargon. Please refer to the Glossary of terms section for more information.

Risk and return of the Super SA Select investment options

Investment option	Target rate of return	Investment time horizon	Risk of negative return	Growth asset allocation ranges ¹
Cash	RBA cash rate	0+ years	On average less than 0.5 years in 20	0%
Balanced	CPI +3.5%	10+ years	On average four to six years in 20	57 – 87%

The investment objectives state what each option aims to achieve and are designed to help members with their investment decisions. The objectives have been developed having regard for the long-term performance and characteristics of financial markets and taking into account expert advice provided by specialist investment advisor JANA. There is no guarantee, however, that the objectives will be met. This is because financial markets are volatile and future returns may vary from returns earned in the past. Indeed, for funds with a high exposure to growth assets there is a material likelihood that returns may be negative in any particular year.

¹ Growth assets include shares, certain types of property, private equity and other growth opportunities. The remainder of the funds are invested in defensive assets such as cash and fixed interest.

2. Risk and returns (continued)

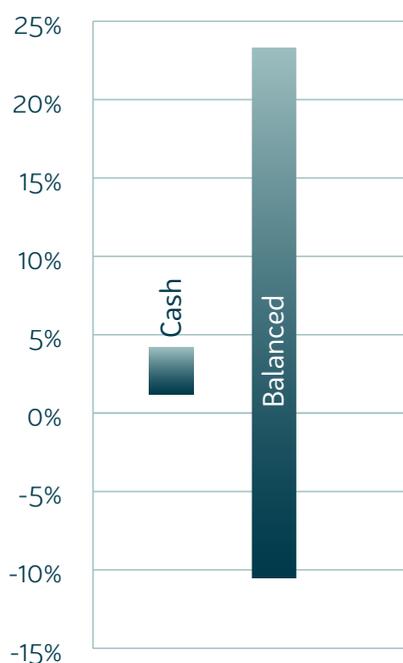
Expected range of return outcomes for Super SA Select investment options

For each investment option there is an expected range of annual returns. This varies between the options.

The expected range of annual returns² for the investment options are shown in the graph below.

Generally, the options that offer the highest potential long-term returns also come with the widest range of returns including the possibility of negative returns. Options that offer the lowest potential long-term returns come with the narrowest range of returns and greatest likelihood of positive returns.

Super SA Select expected range of annual returns³



When choosing the investment options right for you, you should consider:

- Your current financial position
- Your age
- Your estimated time of retirement
- How long your super will need to last
- Your attitude to accepting additional risk in seeking higher returns.

Risk of investment

Some important risks are:

- **Inflation:** inflation may exceed the return you receive on your investment.
- **Market:** economic, technological, political or legal conditions may affect the value of investments. Market sentiment may also alter the value.
- **Manager performance:** the risk that individual investment managers underperform.
- **Interest rates:** changes in interest rates may also affect investment returns positively or negatively.
- **Foreign currency:** for overseas investments there is a risk that the value of other currencies may change in relation to the Australian dollar and reduce the value of the investment.
- **Derivatives:** derivatives are financial contracts used in the management of investments whose value depends on the value of specific underlying investments. Their value can fluctuate, sometimes away from the expected value, and they are also subject to counterparty risk.
- **Counterparty risk:** counterparty risk is the risk that an organisation contracted to provide an investment service is not able to do so. This may result in loss of value.
- **Underlying investments:** the value of each option's underlying investments can rise as well as fall.

Some of the most common influences on underlying investments include:

- **Australian shares:** individual shares are affected by factors affecting the share market generally but also by the profits and expected profits of individual companies.
- **International shares:** there are similar risks as for Australian shares. Additionally, they are affected by political factors and the currency exchange rate of the country where the shares are held.
- **Property:** economic factors such as inflation and unemployment will affect the return on property, as well as the location and quality of the property itself.
- **Fixed interest investments:** changes in interest rates, as well as the risk of loan repayment default, will result in a change in value of this investment.

Other risks specific to super investments include changes to super laws or taxation laws, which may affect the accessibility or value of your investment.

Performance and risk are closely linked when talking about investments. Generally, the investment options that offer the highest long term performance may also carry the highest level of short term risk, and vice versa.

² For the 2024-25 financial year.

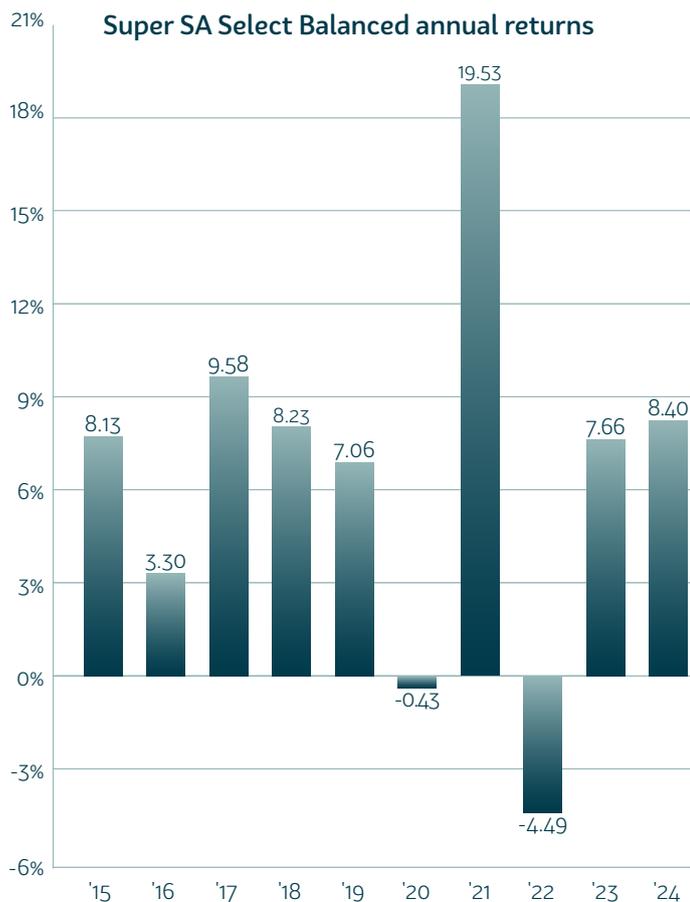
³ There is approximately a 5% chance that the return in any given year could lie outside of this range.

3. Investment performance

How your investment option performs

A rate of return is the amount of money your super earns over a specified period. Remember, returns may not always be positive. Depending on a number of factors, your investment can sometimes go down in value, just as it can go up. Volatility is a normal part of investing.

As an example, let's look at the rates of return achieved for the Super SA Select Balanced option in the chart below.



You can see from the chart since 2015, annual returns for the Balanced option have ranged from a high of 19.53% to a low of -4.49%. These fluctuations can be expected from an investment option with a high allocation to growth assets, like the Balanced option.

The investment objectives provide a guide to what each option aims to achieve. The Super SA Select Balanced option is expected to return 3.5% above CPI over an investment time horizon of at least 10 years.

It is important to remember that past performance should not be taken as an indication of future performance.

Super tip

To keep track of how your option is doing, you can check its investment performance on the Super SA website.

4. What kind of investor are you?

Now you're familiar with 'risk and return' and 'investment performance' the next step is to understand how much risk you're prepared to take in order to get the return you want. This is called your risk tolerance. You can find out what yours is by working out your individual investor profile. Get started by answering these questions:

What are your goals for retirement?

This will help you work out how much money you'll need when you retire. For example, if you plan to spend your time travelling overseas, you'll need to factor in that extra expense.

What's your current financial position?

Look at how much super you have, your sources of income and your ongoing expenses, such as mortgage payments. This will give you a good idea of where you are now and how much you'll need to achieve your goals for retirement.

How long do you have before you plan to retire?

This will help you determine your investment time horizon so you can select an investment option that suits it best.

How much risk are you prepared to take to get a potentially higher return?

This is an important question. Even if you have years before you retire, investing in a high risk investment option might not be worth the potential returns if it's going to keep you awake at night with worry.

For example, if you're 55 and plan to retire at age 60, your investment time horizon is five years – although your investment time horizon may then be more than 20 years in retirement.

If you're 30 and you plan to retire at age 65, your investment time horizon is 35 years.

In Super SA Select you have the choice of the following investment options:

Investment options	Your investor profile
Cash	<ul style="list-style-type: none">- Not comfortable taking risks- Prepared to accept lower returns for less risk- Investing for the short-term: 0 to 2+ years
Balanced (default)	<ul style="list-style-type: none">- Prepared to accept a higher risk to potentially achieve higher long-term returns- Comfortable with a significant possibility of negative returns- Investing for the long term: 10+ years

 Use the Risk profiler calculator at supersa.sa.gov.au to find out what level of risk you may be comfortable with.

5. What are asset classes?

Each investment option is made up of asset classes. An asset class can be something tangible like property or it can be something intangible like shares or fixed interest.

Funds SA manages the asset classes comprising the following investment options: Balanced and Cash.

Growth asset classes

These include assets that aim to achieve higher returns over the long term but also carry higher risk.

Returns may fluctuate widely and can sometimes be negative. Examples of growth assets include shares and certain types of property.

Defensive asset classes

These tend to deliver lower returns over the long term and carry less risk. While a negative return is possible, defensive asset classes typically provide a more stable series of lower positive returns. Examples of defensive assets include cash and fixed interest.

Mixed asset classes

Some asset classes such as property, diversified strategies income and diversified strategies growth can have both growth and defensive characteristics.

Why is it important to have a mix of assets?

Having all your eggs in one basket is not ideal, right?

Well, the same applies to asset classes.

By diversifying, or having your super invested in a number of asset classes, you reduce the risk of your investment losing value because poor performance in one asset class can potentially be offset by better performance in another.

The table overleaf lists the types of asset classes and the different levels of risk and return of each.

5. What are asset classes? (continued)

Asset classes					
Asset class	Description	Example	Asset type	Risk	Return
Cash	These are investments in assets that can be cashed in quickly. An investment suitable for investors with a low risk tolerance.	Bank deposits, bank bills, term deposits and floating rate notes	Defensive	Low	Low
Fixed Interest	These investments are usually in the form of loans to governments or companies who pay a fixed rate of interest for the term of the loan. Returns tend to be better than cash over the long term, but lower than property and shares. Inflation linked securities have the additional feature of being linked to a measure of the general level of prices in Australia, such as CPI.	Government bonds, corporate bonds and inflation linked securities	Defensive	Low-Moderate	Low-Moderate
Credit	Investments in debt securities that are issued by companies, emerging market governments, asset-backed and mortgage-backed structures.	Corporate bonds	Mixed	Moderate	Moderate
Alternatives	Assets that don't fit into the other asset classes because they invest in a range of financial instruments.	Financial derivatives and hedge funds.	Mixed	Moderate	Moderate
Property	These are investments in unlisted property trusts and shares in listed property trusts on the share market. There's potential for these property assets to provide moderate returns over the long term, however the value of the assets can fluctuate and returns can be negative.	Retail, commercial and industrial property	Mixed	Moderate	Moderate
Shares (equities)	These are investments in companies listed or about to be listed on the Australian or international stock exchanges. Dividends provide income although they can't be guaranteed. Share prices can fluctuate dramatically and can frequently be negative, which makes them high risk but there's potential for high capital growth over the long term.	A stake or financial interest in an Australian or international company	Growth	High	High
Infrastructure	These are investments in assets or companies which provide common essential services that are important to the functioning of society at large.	Airports, electricity and telecommunication networks.	Mixed	High	High
Private Markets	These are investments in assets such as private companies which are typically smaller than those listed on stock exchanges but can have higher revenue/earnings growth. Funds SA's investment managers typically have controlling stakes in these companies and will look to implement strategic or operational improvements at these companies in order to maximise the value of these investments.	A stake or financial interest in an Australian or international company, which isn't listed on a stock exchange.	Growth	High	High

6. Investment options

Balanced (default)

This option is structured for investors with an investment time horizon of at least 10 years. Annual returns may be volatile.

Investment return objective⁴ CPI + 3.5%

Asset allocation

This option is invested in the range of 57 - 87% in growth assets (shares, certain types of property, private equity and other growth opportunities) and the balance in defensive assets (such as cash and fixed interest).

Asset class	Strategic Asset Allocation ⁵	Range %
Australian Equities	25	10-40
International Equities	30	20-45
Private Markets	5	0-15
Property	8	0-25
Infrastructure	9	0-20
Alternatives	2	0-15
Credit	5	0-20
Fixed Interest	13	0-35
Cash	3	0-20
Min suggested time frame	10 years	
Summary risk level⁶	It is likely that a negative return might be expected to occur between four and six years in 20.	
Risk classification	High risk (Risk Band 6) ⁶	

Cash

An investment for investors with a low risk tolerance.

Investment return objective⁴ RBA cash rate

Asset allocation

This option is invested in 100% Cash.

Asset class	Strategic Asset Allocation ⁵
Cash	100
Min suggested time frame	0 years
Summary risk level⁶	It is likely that a negative return might be expected to occur less than 0.5 years in 20.
Risk classification	Very low risk (Risk Band 1) ⁶

⁴ The investment objectives state what each option aims to achieve and are designed to help investors with their investment decisions. The objectives have been developed having regard for the long term performance and characteristics of financial markets and taking into account expert advice provided by specialist investment advisor JANA. There is no guarantee, however that the objectives will be met. This is because financial markets are volatile and future returns may vary from returns earned in the past. Indeed, for funds with exposure to growth assets there is a material likelihood that returns may be negative in any particular year.

⁵ Long-Term Strategic Asset Allocation (LTSAA).

⁶ See Glossary of terms for more information about the Standard Risk Measure.

7. Investment switches

The Southern Select Super Corporation (Trustee) may add, close, or make changes to investment options at any time following consultation with Funds SA. Super SA will notify you of any significant changes.

Switching options

It's important to do your homework before changing or switching investment options.

When you join Super SA Select you have the choice of investing your super in either the Balanced or Cash investment option or you can choose to invest across a combination of both options, providing the percentages equal to 100%. If you don't choose an investment option, your funds will automatically be invested in the Balanced option.

To switch your investment option, visit our online member portal.

You can also use our online member portal to rebalance the investment of your funds between your chosen investment option(s).

Switching timeframes

The unit price applied to a switch will represent the market value of an investment option calculated as at the end of the business day on which the switch is received.

A request to switch your current super balance received before 5pm on a business day will generally be processed on the second business day following the date of receipt.

No additional investment switches can be requested until the previous investment switch has been completed. Check the Super SA website for any variation to this.

If you change your mind and wish to stop an investment switch going ahead you will need to let us know in writing by 5pm on the day that your switch is lodged otherwise it will proceed.

You can also choose to invest your future deposits across any combination of the available investment options, providing the total is equal to 100%. This is called redirecting future deposits.

A switch made to future deposits will take effect from the time it is processed.

Other things you need to know when you switch:

- If you switch from one investment option to another, the unit price applied to the switch could be higher or lower than the current unit price of both the option you're currently invested in and your new investment option.
- No additional investment switches can be requested until the previous investment switch has been completed.
- There is no switch fee to change your investment options.

Rebalancing

If you choose to invest percentages of your super across more than one investment option for your current account balance or future deposits, it's important to be aware that the percentage allocations will change over time, even if you do nothing.

This happens because investment returns in each investment option can increase or decrease depending on market fluctuations, so the allocation of your total account balance will change from the initial percentage breakdown you nominated.

If you want to maintain the percentage allocations that you've nominated, you can rebalance your account at any time.

Because rebalancing does not happen automatically, to rebalance your super to once again match the percentage allocations you originally requested, you can visit our online member portal.

Variations to switching

Where it is not possible to arrive at appropriate unit prices for a given day, or where the Southern Select Super Corporation as Trustee of Super SA Select (or its delegate) ("Super SA") determines that there is a significant change in investment markets and the unit prices do not reflect the underlying values of the investment markets, Super SA may suspend unit pricing.

Where unit prices are suspended, all pending transactions will be suspended, and they will not be completed until Super SA determines to lift the suspension. The unit price applied to any suspended transactions will be the first unit price approved immediately after the suspension is lifted. During the suspension period, Super SA may determine that some urgent transactions will be processed using the last available approved unit price.

8. Additional information

General Information and Financial Advice

Getting good financial planning advice is an essential part of making the right investment choices. As a Super SA Select member, you have the option of calling Super SA's Member Services team for general information, or for personal financial planning advice, speaking with a professional financial planner.

Member Services

Member Services is a good place to start when you're looking for ways to make the most of your investment in super.

Member Services can't provide you with personal financial advice but can provide you with factual information relating to our products, like informing you of the investment options we offer. Should you wish to obtain personal financial advice you should consult a financial planner.

To speak to our Member Services team, call (08) 8214 7800.

Member Education team

Super SA's Member Education team are a dedicated team whose purpose is to educate Super SA members and agencies. The Member Education team regularly release articles and videos to keep you up to date. Super SA members gain access to online and in-person seminars which explain the complex superannuation landscape in easy to understand sessions. Super SA understands that sometimes it's easier for us to come to you, so we facilitate worksite visits which can range from a one off seminar to a complete series. To book one of Super SA's highly experienced and qualified Member Education team members please contact superbookings@sa.gov.au.

Personal financial planning advice

You are encouraged to seek professional advice in relation to your financial planning needs.

Disclaimer

The information in this document is intended to help you understand your entitlements in Super SA Select. The Southern Select Super Corporation, as Trustee, does its best to make sure the information is accurate and up to date. However, you need to be aware that it may not include all the technical details relevant to the topic. For the complete rules of Super SA Select, please refer to the Trust Deed and Rules. You may obtain a copy of the trust deed from our website or by requesting it in writing from Super SA.

Super SA Select is an exempt public sector superannuation scheme and is not regulated by the Australian Securities and Investments Commission (ASIC) or the Australian Prudential Regulation Authority (APRA). Southern Select Super Corporation is not required to hold an Australian Financial Services Licence to provide general advice about Super SA Select.

The information in this document is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Super SA recommends that before making any decisions about Super SA Select, you consider the appropriateness of this information in the context of your own objectives, financial situation and needs, read the Product Disclosure Statement (PDS) and seek financial advice from a licensed financial adviser in relation to your financial position and requirements. Please refer to the PDS for information on the cooling off rights associated with this product.

The Southern Select Super Corporation and the State Government disclaim all liability for all claims, losses, damages, costs or expenses whatsoever (including consequential or incidental loss or damage), which arise as a result of or in connection with any use of, or reliance upon, any information in this document.

9. Glossary of terms

Now let's look at some important investment terms and their meaning:

Asset classes

These are the types of investments that make up the option(s) your super is invested in. Each asset class has its own particular risk and return characteristics.

Business day

A South Australian business day, which excludes South Australian public holidays.

Consumer Price Index (CPI)

The Consumer Price Index (CPI) is a measure of household inflation and includes statistics about price change for categories of household expenditure.

Investment return objective

The investment objectives state what each option aims to achieve. Unfortunately, there are no guarantees with investing so the objective should only be used as a guide when making a decision about your investment. Each of Super SA's Select's investment options has a different investment objective expressed over a particular investment time horizon.

The investment objective is expressed as a target return above the CPI rate, except in the case of Cash. For the Cash option the target return is the Reserve Bank of Australia cash rate.

Investment time horizon

This is the expected length of time it may take for an investment option to achieve its investment objective with a reasonable likelihood.

Return

This is the amount of money your super earns. Returns may not always be positive. Depending on a number of factors, your investment can sometimes go down in value, just as it can go up.

Risk and volatility

This is the possibility that your super may fall in value or earn less than you expected. All investing involves trade-offs between risk and return. Typically the more risk, the higher the potential returns. The less risk, the lower the potential returns. There is also a risk that your super may fall in value, earn less than expected or experience a negative return.

Volatility relates to fluctuations in returns. For riskier investment options, returns may fluctuate greatly.

Standard risk measure⁸

This is a measure of risk that allows members to compare investment options. The risk measure expresses risk as the number of negative annual returns likely over any 20 year period.

7 The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any twenty year period. The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance, it does not detail the likely size of a negative return or the potential for a positive return less than a member may require to meet their financial goals. It also does not take into account the impact of administration fees and tax on a negative return. Members should ensure they are comfortable with the risks and potential losses associated with chosen investment options.



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