

## Changes to the AERF's investments

This flyer provides you with important information about how the AERF's investments are changing. You should read this flyer in conjunction with the 2013 AERF Annual Report, which is available at [www.perpetual.com.au/aerf](http://www.perpetual.com.au/aerf).

In line with recent regulatory changes, the Trustee has determined that a more conservative investment strategy is appropriate for the AERF. The table below shows the AERF's updated investment objectives and guidelines:

Suitability	As the AERF is designed to be a temporary repository for member benefits, the Trustee considers that a conservative diversified investment strategy is appropriate for its members.		
Risk level <sup>1</sup>	3 – Low to medium		
Minimum suggested timeframe	Up to two years		
Investment return objective	To achieve a return which outperforms CPI by 2% per annum, after fees, over rolling two-year periods.		
Investment guidelines <sup>2</sup>	<b>Asset sector</b>	<b>Benchmark</b>	<b>Ranges</b>
	Australian shares	20.0%	15.0-25.0%
	International shares (unhedged)	5.0%	2.5-7.5%
	Alternative assets	5.0%	2.5-7.5%
	Australian fixed interest	20.0%	17.5-22.5%
	International fixed interest	30.0%	27.5-32.5%
	Cash	20.0%	15.0-25.0%

1. The risk level represents the Standard Risk Measure (SRM) 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 20 year period. Refer to the 30 June 2013 Annual Report for more information on SRMs.

The Trustee is currently transitioning the AERF's assets to fall within these investment guidelines, of which the majority (excluding alternative assets) is expected to be completed by the end of November 2013. In the interim, the AERF's asset allocations may fall within the following ranges:

Asset sector	Interim ranges
Australian shares	15.0-29.0%
International shares (unhedged)	2.5-13.0%
International shares (hedged)	0.0-13.0%
Property (listed, direct and global hedged)	0.0-15.0%
Alternative assets	2.5-20.0%
Australian fixed interest	7.5-22.5%
International fixed interest	7.5-32.5%
Cash	5.0-25.0%

## Investment objective

The Trustee aims to achieve the investment objective by:

- investing with investment managers appointed by the Trustee to gain a diversified, liquid exposure to approved asset sectors
- adherence to guidelines, or benchmarks, for the amount of the AERF's assets that will be invested in approved asset sectors at any one time
- regularly reviewing the combined asset allocation of the AERF to ensure it falls within the investment guidelines.

## Investment managers

The investment managers appointed by the Trustee to manage the assets of the AERF are:

- MLC Investments Limited (MLC) for international shares, alternative investments, Australian fixed interest and international fixed interest assets
- Perpetual Investment Management Limited (PIML) for Australian Share and cash assets.

## Change to investment fee

As a result of these changes, the Investment fee will be reduced from an estimated 0.63% to an estimated 0.53%. This is an estimate of the likely investment management costs for the 2013/2014 financial year and includes GST. The amount may change in future years without prior notice to members.

Refer to the 30 June 2013 Annual Report or current PDS for further details of all of the fees and costs that apply to your account in the AERF. These documents are available at [www.perpetual.com.au/aerf](http://www.perpetual.com.au/aerf).

## Change to contributions

From 31 December 2013, the AERF will only be able to accept amounts transferred from other regulated superannuation funds. As a result, the AERF will no longer accept Superannuation Guarantee shortfall components or transfers of superannuation holding account (SHA) special account balances from the Australian Taxation Office (ATO).

## Contact details

If you have any questions or would like more information about the AERF, please contact the AERF Administrator, Jacques Martin Administration and Consulting Pty Ltd:

<b>Phone</b>	1800 677 424 (within Australia) +61 2 8282 0542 (international callers) between 8.30am and 5.00pm (Sydney time) Monday to Friday
<b>Fax</b>	1300 700 141 (within Australia) +61 2 9009 0719 (international)
<b>Mail</b>	AERF Administrator, Locked Bag 5429, Parramatta NSW 2124
<b>Website</b>	<a href="http://www.perpetual.com.au/aerf">www.perpetual.com.au/aerf</a>
<b>Email</b>	<a href="mailto:aerfenquiries@perpetual.com.au">aerfenquiries@perpetual.com.au</a>