

MEMBER NEWS

WA SUPER TO RELAUNCH ITS SUSTAINABLE FUTURE INVESTMENT OPTION

WA Super has various investment options and one of them is the Sustainable Future investment option which adopts responsible investing practices into its investment process.

WHY RELAUNCH THE SUSTAINABLE FUTURE OPTION?

After consultation with our members and employers, we undertook a significant review of the Sustainable Future option. Whilst our current Sustainable Future option has some responsible investing practices, we believe it is important to offer our members the chance to invest in an option that seeks to promote meaningful change through impact investing.

We believe it is important to offer a more balanced and diversified approach for members who choose to invest in the Sustainable Future option. The relaunched option will also invest in different asset classes, which will be different to its current asset allocation which is solely invested in Australian equities.

WHAT IS RESPONSIBLE INVESTING?

Responsible investing is an umbrella term for a broad range of investment practices. However, there are three distinct types of responsible investing:

1. Using the Environmental, Social and Governance (ESG) Criteria as a set of standards to screen investments.
2. Practicing Socially Responsible Investing (SRI) by including or excluding certain companies because of the nature of the business those companies conduct.
3. Impact investing by investing into organisations or projects with the intention of generating measurable social and environmental outcomes alongside a financial return.

WHICH TYPE OF RESPONSIBLE INVESTING WILL THE RELAUNCHED SUSTAINABLE FUTURE OPTION BE MODELLED ON?

Following feedback from our members and employers and extensive research from WA Super's Investment Team and Trustee Board, WA Super will be relaunching its Sustainable Future investment option using impact investing principles.

WHAT IS IMPACT INVESTING?

Impact investing intentionally seeks to improve the lives of people around the world, while earning an attractive financial return. Alleviating hunger, expanding access to health care and bridging the digital divide are among the primary objectives of the Sustainable Future option.

Impact investors go further than SRI and ESG funds by investing in a remarkably diverse spectrum of companies around the world that are making a positive impact on society and have the potential to earn competitive financial returns.

Ultimately, impact investing seeks to identify social and environmental problems and disadvantage whilst identifying appropriate investment solutions that are uniquely addressing these needs.

FOR EXAMPLE

With impact investing, you could own shares in one of the world's leading microfinance lenders, which provides seed capital to millions of entrepreneurs in Africa. For more examples of impact investing visit our website at www.wasuper.com.au/sustainablefuture.

HOW IS WA SUPER'S SUSTAINABLE FUTURE INVESTMENT OPTION UNDERTAKING IMPACT INVESTING?

WA Super has partnered with a Fund Manager, Wellington Management Australia Pty Ltd to provide an innovative impact investing option, one of the first of its kind in Australia.

This option is based on investing in companies that are addressing the United Nations Sustainable Development goals, a set of goals to combat poverty, improve access to essential services and reduce hunger. The objective of the new Sustainable Future option is to contribute to the achievement of the United Nations Sustainable Development Goals in a meaningful and measurable way.



The United Nations Sustainable Development goals are:



For further information go to www.un.org/sustainabledevelopment/sustainable-development-goals/

WHAT WILL CHANGE?

The following chart shows the differences between the current and the relaunched Sustainable Future option.

	CURRENT (UNTIL 30/11/2017)	NEW (EFFECTIVE FROM 1/12/2017)
Description	Invests predominantly in Australian share funds that are operated on 'socially responsible' or 'sustainability' criteria.	Invests in predominantly global shares and global bonds that adhere to impact investing principles. This option is higher risk than MyWASuper and Diversified Moderate (for Retirement Solutions members) but seeks to provide a similar return over time. However, it is lower risk than the old Sustainable Future option.
Investment may suit	Members who wish to invest in Australian companies that operate within socially responsible criteria.	Members who wish to invest in companies and other entities whose objectives are aligned with the United Nation's Sustainable Development Goals.
Return objective	Match the ASX 300 Accumulation Index (before fees & tax) over rolling 7 Year periods whilst maintaining a tracking error not exceeding 2% over rolling 3 Year periods.	Super Solutions - CPI + 2.0% P.A Retirement Solutions - CPI + 2.5% P.A
Non financial objective	N/A	To contribute to the achievement of the United Nations Sustainable Development Goals in a meaningful and measurable way.
Recommended minimum time frame	10 years	10 years
RISK		
Estimated Frequency of a Negative Return	6 or greater times in 20 years	4 to less than 6 times in 20 years
Standard Risk Measure	<p>Cash 0% Range: 0-5%</p> <p>Equities 100% Range: 95-100%</p> <p>ASSET ALLOCATION</p>	<p>Cash 0% Range: 0-10%</p> <p>Fixed income 40% Range: 30-50%</p> <p>Real Assets 0% Range: 0-30%</p> <p>Equities 60% Range: 30-70%</p> <p>Alternatives 0% Range: 0-10%</p> <p>ASSET ALLOCATION</p>



WHEN DOES THE RELAUNCHED SUSTAINABLE FUTURE OPTION COME INTO EFFECT?

The relaunched Sustainable Future investment option will take effect from 1 December 2017.

WILL THE FEES AND COSTS FOR THE RELAUNCHED SUSTAINABLE FUTURE OPTION BE AFFECTED?

Under legislation, an investment option's investment fees and costs disclosed in the relevant Product Disclosure Statement is based on historical costs incurred for the most recent financial year. The Fund is required to provide an estimate of investment fees and costs using this principle. Under this method, the estimated investment management fees and costs for the relaunched Sustainable Future investment option will not materially change as it will still be based on costs incurred during the most recent 2016/2017 financial year. The fees and costs for the 2017/18 financial year are expected to be reasonably similar to those in the 2016/17 financial year though future actual investment management costs for the Sustainable Future may change.

WHAT DO YOU NEED TO DO?

If you are happy with the changes you will not need to do anything. If you are wholly or partially invested in the Sustainable Future option you will continue to be invested in the relaunched option in the same proportion you are currently invested in.

If you have any monies invested in the current Sustainable Future option, you will be contacted by WA Super prior to 1 December 2017 with additional details and possible options, such as how to amend your investment options.

IF YOU NEED MORE INFORMATION

The investment option changes outlined in this document will be detailed in the new Super Solutions Product Disclosure Statement (PDS) (including the associated Member Guide and Insurance Guide) and Retirement Solutions PDS, and will be released on 1 December 2017, replacing the current PDSs. The PDSs will be available on the Fund's website from 1 December 2017 at www.wasuper.com.au/pds.

WA SUPER GROWING SCALE FOR OUR MEMBERS

In September 2017 following extensive negotiations and due diligence between WA Super and Concept One (a Western Australian based industry super fund) an agreement was reached to merge Concept One into WA Super. The merger is expected to be implemented at the beginning of 2018, when Concept One members and assets will be transferred across to WA Super's operations. As a result, WA Super will manage over \$3.2 billion on behalf of 60,000 members, building WA Super's scale and efficiencies.

The merger between WA Super and Concept One is a positive move for all WA Super members. To stay competitive in this ever-changing superannuation environment, we need to identify ways that WA Super can grow and expand. By increasing our member numbers and funds under management, WA Super members benefit from economies of scale, leading to:

- lower operational costs per member
- higher net returns over the long term
- maintaining our highly competitive fees
- introduction of new and improved member services.

This is an exciting time for WA Super members as we protect and grow our members' retirement money and continue to provide services to the highest standard.

IF YOU NEED MORE INFORMATION

For further information on the merger, visit our website at www.wasuper.com.au/conceptone.

If you require further information you can contact WA Super on 08 9480 3500 or 1300 99 85 42 (Country callers), or you can email us at info@wasuper.com.au.

The information in this document is general information only and doesn't take into account your personal financial situation or needs. You may wish to consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.