

## **Risk and Return Objectives**

- There is always a trade-off between risk (regardless of how this is measured) and return. WA Super will generally seek to prioritise its risk objectives over its return objectives.
- For both Super Solutions and Retirement Solutions, WA Super will express its return objectives in terms of a margin over the cost of living, measured over an appropriate timeframe for each investment option.
- For both Super Solutions and Retirement Solutions, WA Super will express its investment risk objectives in terms of both the frequency of negative annual returns, as well the magnitude of negative annual returns. Particular attention will be placed on the potential magnitude of negative annual returns.
- WA Super will be cognisant of peer practice when setting investment strategy, but performance relative to peers is not WA Super's primary definition of success. Peer relative performance will be useful in assessing whether WA Super can improve the implementation of its investment strategy.