

Suncorp WealthSmart® Product Update

Issued 1 December 2014

Effective 1 December 2014, new investment options are available on Suncorp WealthSmart. These single sector investment options give you access to new asset classes like infrastructure, investment strategies and managers.

Single sector investment options
Australian shares
Hyperion Australian Growth Companies Fund
Investors Mutual Industrial Share Fund
Ironbark Karara Australian Share Fund
Perpetual Wholesale SHARE-PLUS Long-Short Fund
Australian shares specialist
Perpetual Wholesale Ethical SRI Fund
Infrastructure
Lazard Global Infrastructure Securities Fund

Detailed information on each of the new investment options is shown on the following pages.

Need more information?

If there's anything else you need to know, please call our Customer Service team on 13 11 55 between 8am and 6pm (Eastern Standard Time) Monday to Friday. We'll be happy to help.

Important disclosure

Suncorp Portfolio Services Limited (Trustee) (ABN 61 063 427 958, AFSL 237905, RSE Licence No L0002059) and Suncorp Life & Superannuation Limited (SLSL) (ABN 87 073 979 530, AFSL 229880) are related bodies corporate of Suncorp-Metway Limited (Suncorp) (ABN 66 010 831 722). The obligations of the Trustee and SLSL are not guaranteed by any other company within the Suncorp Group. Except as otherwise stated, Suncorp and its subsidiaries do not guarantee the repayment of capital invested in or the investment performance of this product. This product is not a bank deposit or other bank liability and is subject to investment risk including possible delays in repayment and loss of the interest and principal invested.

This Product Update is issued by the Trustee and updates the following products:

- Suncorp WealthSmart Personal Super
- Suncorp WealthSmart Business Super
- Suncorp WealthSmart Pension

Hyperion Australian Growth Companies Fund		Investors Mutual Industrial Share Fund	
Australian shares		Australian shares	
<p>Investment objective</p> <p>The fund seeks to achieve medium to long-term capital growth and income through investing in high calibre Australian companies. The fund aims to achieve a total return after expenses that exceeds the S&P/ASX 300 Accumulation Index over a five year horizon. The fund is highly concentrated, containing between 15-25 stocks, with low turnover.</p> <p>The fund invests in growth- oriented companies which pass Hyperion's rigorous investment process. The fund is dominated by companies:</p> <ul style="list-style-type: none"> • That own high quality business franchises; • With above average growth potential; • With low levels of gearing- with predictable medium to long-term earnings streams. 		<p>Investment objective</p> <p>To provide a rate of return (after fees and expenses and before taxes) which exceeds the return of the S&P/ASX 300 Accumulation Index on a rolling four year basis.</p>	
<p>Investment strategy</p> <p>Hyperion actively manages its portfolio of companies using proprietary quantitative analytical models, as well as qualitative bottom-up research. Hyperion's rigorous research process creates high-conviction, benchmark insensitive portfolios with excellent after-tax efficiency. Hyperion are proud of their track record of index-beating long term performance over multiple business cycles. Any investments that do not pass Hyperion's stringent requirements are not held; Hyperion regularly review their portfolio holdings and rebalance as necessary to maintain quality standards.</p>		<p>Investment strategy</p> <p>The fund will invest in a diversified portfolio of quality ASX listed Australian & NZ industrial and resource shares, where these shares are identified by our investment team as being undervalued.</p>	
	Ranges (%)		Ranges (%)
Australian shares	80-100	Australian shares	80-100
Cash	0-20	Cash	0-20
Standard Risk Measure	6 – High*	Standard Risk Measure	6 – High*
Style	Growth	Style	Value
Timeframe	5 years plus	Timeframe	5 years plus
Investment fee	0.85% pa (net of 0.10% pa investment fee rebate from manager)	Investment fee	0.80% pa (net of 0.15% pa investment fee rebate from manager)
Performance fee	No	Performance fee	No
Buy-sell spread as at 31 October 2014:	+/- 0.30%	Buy-sell spread as at 31 October 2014:	+/- 0.25%

* The Standard Risk Measure for this investment option was provided by the investment manager.

Ironbark Karara Australian Share Fund		Perpetual Wholesale SHARE-PLUS Long-Short Fund	
Australian shares		Australian shares	
Investment objective To outperform the S&P/ASX 300 Accumulation index (before fees) over rolling 4-year periods.		Investment objective Aims to provide long-term capital growth and income through investment in quality shares and taking short positions in selected Australian shares. The fund aims to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.	
Investment strategy Karara Capital is an active investment manager whose approach to Australian equities is built on the belief that original, forward looking research can identify underappreciated companies. Karara Capital's approach emphasises the development of insights into a company's longer term prospects. They look to consider all factors which they believe are relevant and carefully assess whether this view is reflected in the market place. Portfolios are built from a diverse range of insights and close attention is paid to understanding the interplay between the holdings. The fund will primarily invest in 25-35 companies included in the S&P/ASX 100 Index plus an allocation to smaller companies. The allocation to smaller companies is generally between 0 - 20% of the portfolio, however this can vary over time. Investments of the fund may also include derivatives such as index futures which would be used for risk management purposes or as substitutes for physical securities.		Investment strategy Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • in the case of industrial shares, recurring earnings. In addition, Perpetual aims to take short positions in Australian shares that it believes will fall in value. The short positions are determined based on each stock's expected returns and the investment constraints (designed to reduce the risks associated with taking short positions). Derivatives may be used in managing the fund.	
	Strategic allocation (%)	Ranges (%)	Ranges (%)
Australian shares	95.0	90-100	Australian shares ¹ (net) ² 65-100
Cash	5.0	0-10	Cash 0-35
Standard Risk Measure	6 – High*		Standard Risk Measure 6 – High*
Style	Core		Style Value
Timeframe	5 years plus		Timeframe 5 years plus
Investment fee	0.6025% pa (net of 0.32% pa investment fee rebate from manager)		Investment fee 0.99% pa ³
Performance fee	No		Performance fee Yes ⁴
Buy-sell spread as at 31 October 2014:	+/- 0.25%		Buy-sell spread as at 31 October 2014: +/- 0.20%

* The Standard Risk Measure for this investment option was provided by the investment manager.

Perpetual Wholesale Ethical SRI Fund		Lazard Global Infrastructure Securities Fund		
Australian shares - specialist		Australian shares		
Investment objective Aims to provide long-term capital growth and regular income through investment in quality shares of socially responsible companies. The fund aims to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.		Investment objective The fund seeks to achieve total returns (including income and capital appreciation and before the deduction of fees and taxes) that outperform inflation, as measured by the Australian Consumer Price Index, by 5% per annum over rolling five-year periods		
Investment strategy Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: <ul style="list-style-type: none"> conservative debt levels sound management quality business and in the case of industrial shares, recurring earnings. In addition to the above investment approach, Perpetual utilises a strategy for screening ethical and socially responsible investments. Derivatives may be used in managing the fund.		Investment strategy The fund will invest in listed companies that own physical infrastructure (including concessions or long-term contracts to this effect); have assets predominantly invested in member countries of the Organisation for Economic Cooperation and Development and meet a minimum market capitalisation hurdle at the time of purchase. The number of securities will generally range from 25 to 50 which means Lazard Pacific makes active investment decisions as to which securities the fund holds. Lazard Pacific will substantially hedge the foreign currency exposures back to the Australian dollar. The fund will also diversify its assets between countries and sectors.		
	Ranges (%)		Strategic allocation (%)	Ranges (%)
Australian shares ¹	90-100	International shares	100.0	95-100
Cash	0-10	Cash	0.0	0-5
Standard Risk Measure	7 – Very high*	Standard Risk Measure	6 – High*	
Style	Value	Style	Value	
Timeframe	5 years plus	Timeframe	5 years plus	
Investment fee	1.13% pa (net of 0.05% pa investment fee rebate)	Investment fee	0.98% pa	
Performance fee	No	Performance fee	No	
Buy-sell spread as at 31 October 2014:	+/- 0.15%	Buy-sell spread as at 31 October 2014:	+/- 0.30%	

* The Standard Risk Measure for this investment option was provided by the investment manager.

Specific notes

1. Perpetual Wholesale SHARE-PLUS Long-Short Fund and Perpetual Wholesale Ethical SRI Fund

The fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time.

2. Perpetual Wholesale SHARE-PLUS Long-Short Fund

The net market exposure is the value of the fund's long positions minus the value of the fund's short positions.

3. Perpetual Wholesale SHARE-PLUS Long-Short Fund

The investment fee percentage quoted is based on the sum of the fund's long and short positions.

4. Perpetual Wholesale SHARE-PLUS Long-Short Fund

Perpetual charges the fund a performance fee if its investment performance (as a whole) exceeds its performance hurdle and other conditions are met. The performance hurdle for this fund is the S&P/ASX 300 Accumulation Index plus 2% per annum. The daily performance fee is equal to 13.98% of the difference between the fund's daily return and its performance hurdle multiplied by the fund's adjusted net asset value (that is, net asset value inclusive of management fee accruals but excluding accrued performance fees)

Information about new investment managers

Hyperion Asset Management

Hyperion Asset Management is an Australian Equities Boutique Manager. Hyperion was founded in 1997 and has consistently delivered top quartile returns for clients.

Hyperion invests in only the highest quality companies without reference to a benchmark and take an active, high conviction investment approach. Hyperion currently manage in excess of \$4 billion in Australian equities. Hyperion's key investment personnel remain the same today as when they started and they have added depth to the team along the way. Hyperion have a high degree of confidence in repeating past performance due to their disciplined process, focused investment team and always adhering to high quality investments.

Investors Mutual Limited

Investors Mutual Limited (IML) was established by Anton Tagliaferro in May 1998. An Australian equities specialist, IML has grown steadily since then to more than \$4.9 billion in funds under management as at March 2014.

Investors Mutual has a conservative investment style with a long-term focus, and aims to deliver consistent returns for clients. IML achieves this through the disciplined application of a fundamental and value-based approach to investing. IML is owned by Anton Tagliaferro, the IML investment team and Treasury Group Limited.

Karara Capital

Karara Capital has been appointed by Ironbark as the investment manager of the Fund. Karara Capital is a specialist investment management company focusing on the active management of funds which invest in Australian equities. At the core of Karara Capital's team are its three Executive Directors and majority shareholders: David Slack, Rohan Walsh and Luke Sinclair, who between them have built a successful track record managing Australian equities spanning over 25 years. Supporting them is a team of experienced investment professionals.

Karara Capital is wholly owned by its employees, which assists in strongly aligning their interests and those of their investors. As an independent, privately owned business, Karara Capital is free to make investment decisions in a purely objective fashion. Karara Capital is the Investment Manager of the Ironbark Karara Wholesale Australian Share option.

Index update

On 2 April 2014, Bloomberg Indexes announced it had completed the acquisition of Australia's bond index family from UBS. The index family is renamed "Bloomberg AusBond Indexes". Effective 29 September, the following index names have changed:

Old name	New name
UBS Bank Bill Index	Bloomberg AusBond Bank Bill Index
UBS Composite Bond Index	Bloomberg AusBond Composite Bond Index