

Understanding Investment Risk flyer

Issued 3 December 2016



The information in this document forms part of the following:

- Suncorp Brighter Super Personal Super and Pension Product Disclosure Statement issued 30 May 2016
- Suncorp Brighter Super for Business Product Disclosure Statement issued 30 May 2016
- Suncorp Employee Superannuation Plan Product Disclosure Statement issued 3 December 2016

Investing in super carries various levels of risk. The level of investment risk varies for each person depending on things like their age, how long they plan to keep their investment for, what other investments they may have, and their own tolerance for risk.

As a general rule, investment options with a higher level of risk will provide a higher potential return. By the same token, the smaller the risk the investment option poses, the smaller the potential return it will provide.

What's important is to understand that:

- The value of your investments (and thus your super account balance) may go up or down.
- Investment performance is not guaranteed, which means you could lose some or all of your money.
- Investment returns will vary. Just because an investment has done well in the past doesn't necessarily mean it will do well in future.
- Laws affecting super (such as superannuation, taxation and social security laws) change.
- Different strategies may carry different levels of risk, depending on the assets (such as cash, shares, term deposits etc) that make up the strategy.

There are several ways you can learn about and manage investment risk:

- Our **online risk profiler** tool can help you see where you stand on your attitude to risk. Or if you prefer, you can give us a call and we'll help you.
- **Reduce risk via diversification.** The most common way to reduce your risk is by diversification, or 'not putting all your eggs in one basket'.
- Take a look at the **Product Guide** which goes into more detail on risk.
- Check out the latest '**Standard Risk Measures**' in this flyer which help you compare the riskiness of each of our investment options.

What is the Standard Risk Measure?

The Standard Risk Measure (SRM) is a calculation we do to help make it easier for you to compare the riskiness of investment options. Technically it tells you how many negative annual returns an investment option can be expected to deliver over any 20-year period. But to keep things simple, we then give each investment option a risk band (1 being the lowest risk and 7 being the highest) and label.

The SRM is just one way of measuring risk and is not a complete assessment of all types of risk. For example, it doesn't measure what the size of a negative return could be, or the impact of fees or tax. Nor does it take into account the impact of the administration fee or any part of the management fee that is not paid to an investment manager. You should still ensure you're comfortable with the risks and potential losses associated with your chosen investment option(s) before you make a decision.

This next table shows the different SRMs:

Risk Band	Risk Label	Estimated number of negative annual returns over any 20-year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

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Standard Risk Measure calculation methodology

We calculate our SRMs by forecasting long-term investment class return, risk (volatility) and correlations (correlation just means how different things relate to each other). This is technically termed a 'mean-variance model'.

Using the returns, risk and correlation measures for each individual investment class, as well as the strategic asset allocation (that's its long-term target investment mix) of each investment option, we can forecast the investment option's total risk and return characteristics. We can then model the risk of each investment option having a negative return over a 20-year period.

This next table shows the SRM for each investment option.

Investment option	Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
Suncorp Lifestage Funds			
Suncorp Lifestage Fund 1934 or earlier	3	Low to medium	1 to less than 2
Suncorp Lifestage Fund 1935-1939	3	Low to medium	1 to less than 2
Suncorp Lifestage Fund 1940-1944	3	Low to medium	1 to less than 2
Suncorp Lifestage Fund 1945-1949	3	Low to medium	1 to less than 2
Suncorp Lifestage Fund 1950-1954	4	Medium	2 to less than 3
Suncorp Lifestage Fund 1955-1959	4	Medium	2 to less than 3
Suncorp Lifestage Fund 1960-1964	5	Medium to high	3 to less than 4
Suncorp Lifestage Fund 1965-1969	5	Medium to high	3 to less than 4
Suncorp Lifestage Fund 1970-1974	5	Medium to high	3 to less than 4
Suncorp Lifestage Fund 1975-1979	6	High	4 to less than 6
Suncorp Lifestage Fund 1980-1984	6	High	4 to less than 6
Suncorp Lifestage Fund 1985-1989	6	High	4 to less than 6
Suncorp Lifestage Fund 1990-1994	6	High	4 to less than 6
Suncorp Lifestage Fund 1995-1999	6	High	4 to less than 6
Suncorp Lifestage Fund 2000-2004	6	High	4 to less than 6
Diversified investment options			
Conservative			
Morningstar Conservative Fund*	3	Low to medium	1 to less than 2
Perpetual Wholesale Conservative Growth Fund*	4	Medium	2 to less than 3
Suncorp Universal Conservative Fund	3	Low to medium	1 to less than 2
Moderate			
Morningstar Moderate Fund*	4	Medium	2 to less than 3
Balanced			
Morningstar Balanced Fund*	5	Medium to high	3 to less than 4
Perpetual Wholesale Diversified Growth Fund*	5	Medium to high	3 to less than 4
Suncorp Universal Balanced Fund	5	Medium to high	3 to less than 4
Growth			
BlackRock Wholesale Balanced Fund*	5	Medium to high	3 to less than 4
Morningstar Growth Fund*	6	High	4 to less than 6
Suncorp Traditional Growth Fund	6	High	4 to less than 6
Suncorp Universal Growth Fund	6	High	4 to less than 6
High Growth			
Morningstar High Growth Fund*	6	High	4 to less than 6
Suncorp Traditional High Growth Fund	6	High	4 to less than 6

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Investment option	Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
Cash			
Suncorp Cash Fund	1	Very Low	Less than 0.5
Australian fixed interest			
Suncorp Australian Fixed Interest Fund	4	Medium	2 to less than 3
Vanguard® Australian Fixed Interest Index Fund*	4	Medium	2 to less than 3
International fixed interest			
Vanguard® International Fixed Interest Index Fund (Hedged)	6	High	4 to less than 6
Diversified fixed interest			
Macquarie Diversified Fixed Interest Fund*	6	High	4 to less than 6
Global credit			
Colonial First State Wholesale Global Credit Income Fund	6	High	4 to less than 6
Australian property			
Ironbark Paladin Property Securities Fund*	7	Very high	6 or greater
Suncorp Australian Listed Property Fund	6	High	6 or greater
International property			
Suncorp Global Property Index Fund	6	High	4 to less than 6
Suncorp International Property Securities Index Fund (Hedged)	6	High	6 or greater
Australian shares			
Ausbil Australian Active Equity Fund*	6	High	4 to less than 6
Ausbil Australian Emerging Leaders Fund*	7	Very high	6 or greater
BT Wholesale Imputation Fund*	6	High	4 to less than 6
Fidelity Australian Equities Fund*	6	High	4 to less than 6
Hyperion Australian Growth Companies Fund*	6	High	4 to less than 6
Investors Mutual All Industrials Share Fund*	6	High	4 to less than 6
Ironbark Karara Australian Share Fund*	6	High	4 to less than 6
Nikko AM-Tyndall Australian Share Income Fund*	6	High	4 to less than 6
Perpetual Wholesale Ethical SRI Fund*	7	Very high	6 or greater
Perpetual Wholesale Geared Australian Share Fund*	7	Very high	6 or greater
Perpetual Wholesale Industrial Share Fund*	7	Very high	6 or greater
Perpetual Wholesale SHARE-PLUS Long-Short Fund*	6	High	4 to less than 6
Suncorp Australian Shares Index Fund	6	High	4 to less than 6
Suncorp Australian Shares Multi-Manager Fund	6	High	4 to less than 6
Suncorp Australian Shares Value Fund	6	High	4 to less than 6
Zurich Investments Equity Income Fund*	6	High	4 to less than 6
International shares			
BlackRock Global Allocation Fund*	6	High	4 to less than 6
Colonial First State Wholesale Global Resources Fund*	7	Very High	6 or greater
Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund*	6	High	4 to less than 6
Lazard Global Small Cap Fund*	6	High	4 to less than 6
Platinum International Fund*	6	High	4 to less than 6
Suncorp International Shares Index Fund	6	High	4 to less than 6
Suncorp International Shares Multi-Manager Fund	6	High	4 to less than 6

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Investment option	Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
Walter Scott Global Equity Fund*	5	Medium to high	4 to less than 6
Alternatives			
Lazard Global Listed Infrastructure Fund*	6	High	4 to less than 6
Closed (these options are closed to new members)			
Secure			
Suncorp Traditional Capital Guaranteed Fund	1	Very Low	Less than 0.5
Conservative			
Suncorp Traditional Conservative Fund	4	Medium	2 to less than 3
Balanced			
Suncorp Traditional Balanced Fund	5	Medium to high	3 to less than 4
Growth			
Colonial First State Wholesale Diversified Fund*	6	High	4 to less than 6
Cash			
Suncorp Guaranteed Cash Fund	1	Very Low	Less than 0.5
Australian listed property			
Colonial First State Wholesale Property Securities Fund*	7	Very High	4 to less than 6
Australian shares			
Colonial First State Wholesale Australian Share Fund*	6	High	4 to less than 6
Colonial First State Wholesale Imputation Fund*	6	High	4 to less than 6

* The SRM for this investment option was provided by the investment manager.

We're always happy to help

At anytime you can check out our [online risk profiler](#) tool.

How to contact us

If there's anything else you'd like to know, our contact details are below. We'll be happy to help.

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This flyer, prepared on 7 October 2016 provides a summary of the key Standard Risk Measure information you need to make a decision. It includes references to additional information that is part of the relevant Product Disclosure Statement (PDS) which is material incorporated by reference.

The information in this flyer is general information only and doesn't take into account your personal objectives, financial situation or needs. Before making a decision, you should consider the information in the PDS and should obtain financial advice tailored to your personal circumstances.