

# Your Investment Basics



The industry fund for the people who care

healthsuper 



**We think carefully about where your super is invested. You can too.**

Sometimes, investing can be difficult to understand, here's some simple points to help you understand more about it.



## Here's what you need to know:

- You can choose how your super money is invested from a range of investment options.
- Investing involves both risk and return.
- When you invest, the value of your investment could increase or decrease.
- Your age, financial situation and years to retirement can all be factors that determine your risk profile.
- A financial planner can help you make decisions about your investment strategy.

Your super is an investment, which involves both risk and return. It's invested in various asset classes, which are determined by the chosen or default investment option applicable to you.

## What are asset classes?

Four common asset classes that provide varying degrees of risk and returns are outlined below. These should be considered when determining your investment strategy. The table highlights the characteristics, risk and return for these asset classes.

Asset class	Characteristics
<b>Cash</b> Includes bank deposits, cheque accounts and cash management trusts.	Lowest level of risk and generally lowest level of return of all asset classes over the long term. Suitable for investors who have a low tolerance to risk.
<b>Fixed interest</b> Includes Government and corporate bonds, fixed term deposits, mortgage trusts.	Fixed interest is more volatile than cash, but can still be a relatively stable asset class.
<b>Property</b> Includes residential, industrial and commercial property.	Has a higher risk than fixed interest, but less risk than equities (shares).
<b>Equities (shares)</b> Involves the purchase of a stake or financial interest in a company, enabling you to share in the profits and losses and future growth of that company.	The most volatile asset class, but over long periods of time has achieved (on average) higher returns.

Investment sectors with the Fixed interest, Property and Equities (shares) classes include Australian and International equities.

These asset classes can be described in various ways by different funds and there may be other assets (e.g. non-traditional assets like private equity, infrastructure and hedge funds) used in an investment option.

The mix of asset classes you will be exposed to depends on your investment option and the level of risk you're willing to take. For more information on the objectives of our investment options, please refer to the Investment Guide which forms part of the Health Super Accumulation Product Disclosure Statement (PDS) at [healthsuper.com.au/pds](http://healthsuper.com.au/pds)

<b>Risk</b>	<b>Potential return</b>
Low	Low
Low/ Moderate	Moderate
Moderate/ High	Moderate/ High
High	High

## What is investment risk?

Investment risk refers to the likelihood of volatility or fluctuation in investment returns. This may include a potential loss of some of your capital (initial investment amount). For example, risk can mean:

1. That your investments might increase or decrease in value due to a change in market value.
2. That your capital doesn't grow enough to keep pace with inflation or the increases of the cost of living.
3. You won't have enough money to draw a reasonable income when you retire or during retirement.

Your age, current financial situation and length of time to (or in) retirement could all be factors that influence your risk profile.

## What is diversification?

Simply put, diversification refers to spreading your eggs (money) into many different baskets (e.g asset classes). It enables you to spread risk and return, across a number of asset classes, with rises in one asset type smoothing out falls in another. This means you may be able to protect your money from a fall in value and reduce the risk of low or negative returns.

Most of our investment options are spread over a range of asset classes and industry sectors.

It's important to understand that the performance of the investment markets fluctuate and depending on the nature of your investment, negative returns will occur from time to time.



To find out more about the investment option that may suit you best, refer to the Investment Guide which forms part of the Health Super PDS or visit [healthsuper.com.au/pds](https://healthsuper.com.au/pds) for more information.

## What is an investment time frame?

Usually, your age and proximity to retirement will determine whether you're investing for the:

- Short-term (1 to 3 years)
- Medium-term (3 to 7 years)
- Long-term (more than 7 years).

Investment markets move up and down over time as will the value of your investment. If you have many years to invest, you may be prepared to take on more risk in your investment portfolio. In this situation, you may have time to ride out any short-term fluctuations in investment returns and benefit from the higher potential returns offered by growth investments such as equities (shares).

If, on the other hand, you only have a couple of years to invest, you're investing for a shorter term. Capital protection may be more important than higher returns. Therefore, you might consider a greater emphasis on placing your investments in short-term, more secure assets, such as cash and fixed interest.

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It's important to us that you make the right investment decision and if there's anything you don't understand, please contact us on 1800 331 719 or visit our website [healthsuper.com.au](http://healthsuper.com.au)

## Why is making an investment choice important?

After you become a member you can make a decision as to how you would like to invest your super, or a default investment option will apply.

Choosing where to invest your money doesn't have to be a difficult decision if you're aware of your overall investment objectives, risk profile and the amount of time you have to invest. Your consideration of these factors and your level of comfort with risk will determine the investment option best suited to your needs.

We offer our members six investment options to choose from, because we understand that one investment option doesn't fit all.

You can also seek the advice of a qualified financial planner who can help identify an investment strategy that best suits your situation.

## What happens if I don't make an investment choice?

If you don't make an investment choice, that's ok. We'll still look after you by investing your super in our Lifecycle strategy. We know everyone has different investment needs, so we've created a range of default options based on your age. Please see the table below for the investment option you'll be automatically invested in if you don't make a choice:

<b>If you are</b>	<b>You will be automatically invested in</b>
Aged less than 50	Long-Term Growth
Aged 50 to 59	Medium-Term Growth
Aged 60+	Balanced

## What investment options do I have?

We provide our members with the choice of six investment options (see below), five of which are diversified across a range of asset classes, investment managers and industry sectors.

Standard options	Socially Responsible Investment (SRI) option
Long-Term Growth	Medium-Term Growth SRI
Medium-Term Growth	
Balanced	
Short-Term Conservative	
Stopover	

If you want to use your investment power to support companies and organisations that meet certain standards for ethical, social and environmental operations, then you should consider the Medium-Term Growth SRI option.

To find out more about the investment option that may suit you best, refer to the Investment Guide which forms part of the Health Super Accumulation PDS or visit [healthsuper.com.au/pds](http://healthsuper.com.au/pds) for more information.

## How do you make an investment choice?

If you're an existing Health Super member and you would like to change your investment option, all you need to do is download the *Change my investment option* form from [healthsuper.com.au](http://healthsuper.com.au) or you can access your account online and you can do it then.

You can switch between investment options up to 12 times a year for free.



## Need help?

Determining your risk profile or understanding the details of investing can be confusing, that's why we would encourage you to seek advice from a qualified financial planner. Health Super Financial Planning (HSFP) has financial planning experts who can help you identify an investment strategy that best suits your situation and retirement planning goals. For more information about the services provided by HSFP call 1300 780 223 or visit [hsfp.com.au](http://hsfp.com.au)

We're experts with super, but we never forget it's your money. If there's anything you don't understand, please contact us.

## We're here to help

It's important to get your super right. We understand that everyone has different needs. Contact us to see how we can help you make the most of your super.

**1800 331 719**

Monday to Friday 8:30am – 6.00pm AEST

**[enquire@healthsuper.com.au](mailto:enquire@healthsuper.com.au)**

Log on to our eSuper service

**[healthsuper.com.au](http://healthsuper.com.au)**

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## We're recognised



## We care



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