

We reserve the right to add or remove an option and to change the investment options and strategic asset allocation for any option. The strategic asset allocation is our target allocation. Actual holdings may vary from this allocation. We will contact you if you are invested in an option we are about to cancel. If we are unable to contact you, or you do not nominate a new investment option, we will switch any funds you have in the investment option we are closing to our default option called trustee choice.

Making your first investment choice and switching between strategies

Until you tell us what you want to do, we will invest your super in the default option called trustee choice.

You can switch to a different investment strategy any time by:

- > logging onto **Your account** online at www.pssap.gov.au
- > downloading an **Investment choice** form at www.pssap.gov.au
- > calling us on **1300 725 171** for us to email or post you an **Investment choice** form.

It doesn't cost you anything to make your first investment choice, if you do so within 30 days of joining the PSSap. You also have two free switches each financial year and further switches cost \$20 each.

If you decide to change your investment strategy for future contributions, and you do not switch the investment strategy for your existing super account, then we count this as a 'first choice' and switch fees do not apply.

You will receive written confirmation when we have processed your investment switch – we aim to do this within five business days after we validate your request.

Also see **Fees, taxes and other costs** on page 48.

Putting investment performance into perspective

Super is a long-term investment and past performance is no indication of future performance – investment markets are volatile, and it is not possible to predict when they will go up or down or how quickly this will happen.

Taking into account labour standards and environmental, social and ethical considerations in the sustainable option

The Sustainable option invests in the Vanguard Sustainability Leaders Australian Shares Fund, which is managed by Vanguard Investments Australia Ltd ABN 72 072 881 086 AFSL 227263 (Vanguard). Vanguard gives consent to being named in this PDS and gives consent to including information about the Sustainability Leaders Australian Shares Fund in this PDS in the form and

context in which it is included. At the date of this PDS, that consent has not been withdrawn.

The fund gives investors an opportunity to invest in companies that lead their industry peers in terms of sustainable business practice ('Sustainable Leaders'). Vanguard has a long established relationship with Sustainable Asset Management (SAM). SAM is a Swiss based company, established in 1995 and recognised as a global leader in the field of sustainability research. SAM gives consent to being named in this PDS and gives consent to including the information about them in the PDS in the form and context in which it is included. At the date of this PDS, that consent has not been withdrawn.

SAM conducts continuing research of the economic, environmental and social developments to define criteria and weightings to assess and rate companies in terms of corporate sustainability.

Through the assessment of economic and social driving forces and trend, corporate sustainability criteria are identified. The criteria are defined as either general or industry specific which are based on widely accepted standards, best practices and audit procedures as well as extensive input from industry specialists and consultants covering the economic, environmental and social/labour dimensions.

Investment policy

Stock selection

The portfolio holds securities included in the Australian SAM Sustainability Index (the AuSSI). SAM selects approximately 70 stocks for inclusion in the AuSSI from a universe of 200 of Australia's largest listed companies and 21 industry clusters covering the entire Australian economy. Most of these companies have a primary listing on the Australian Securities Exchange (ASX). This universe may also include other selected stocks that trade with adequate liquidity on the ASX and have a significant part of their business operations in Australia.

SAM analysts assess companies in the universe in terms of their sustainability performance. A defined set of criteria and weightings is used to assess the opportunities and risks deriving from economic, environmental and social developments for the eligible companies. Based on these assessments, companies are ranked within their industry group and selected for the Australian SAM Sustainability Index, if they are among the sustainability leaders in their field. A major source of information is the SAM questionnaire which is completed by companies participating in the annual review. Further sources include company and third-party documents as well as personal contacts between the analysts and companies.

Portfolio construction

Vanguard uses securities in the AuSSI to create a portfolio with characteristics (industry weights and asset size distribution) similar to those of the broader Australian equity market. The fund will hold most, but not necessarily all of the shares in the AuSSI.