GOVERNMENT OF WESTERN AUSTRALIA

GESB SUPERANNUATION

Investment choice

GESB Super and West State Super

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Government Employees Superannuation Board ABN 43 418 292 917

Contents

1. Important note

The information in this brochure forms part of the Product Information Booklets (PIBs) for GESB Super and West State Super, each dated 27 September 2023. You should read the information in this document as part of the relevant PIB before making a decision.

The information contained in this brochure is of a general nature, and does not constitute legal, taxation or personal financial advice. In providing this information, we have not considered your personal circumstances including your investment objectives, financial situation or needs. We are not licensed to provide financial product advice. Before acting or relying on any of the information in this brochure, you should review your personal circumstances, and assess whether the information is appropriate for you. You should read this brochure in conjunction with the relevant disclosure documents at gesb.wa.gov.au/brochures. You may also wish to seek advice specific to your personal circumstances from a suitably qualified adviser.

2. What is investment choice?

Investment choice is all about how you choose to invest your super

Choosing your investment plan is not necessarily a difficult decision, but it's an important one. The investment plan you choose now can make a difference to the amount of income you have in retirement and therefore the lifestyle you'll be able to lead.

At GESB, our role is to help manage and invest your super on your behalf. This includes diversifying your investments across different asset classes to give you every chance to grow your super. However, you also have the option to choose the asset classes your super is invested in, and how much of your super is allocated between them. From Shares through to Cash investments, the choice is yours.

Your choice is made through your investment plan. These plans invest in different assets and their returns are linked to the performance of the financial markets. You can select from a range of different asset class allocations – either diversified investment strategies designed by us, known as 'Readymade plans', or your own strategy focused on specific asset classes, known as 'Mix Your plan'.

Your super is one of the biggest investments you will ever make, so it makes sense to learn all you can about growing it. Reading this information is a good starting point. You should also consider seeking professional advice for your circumstances before making a decision.

Can I make an investment choice?

If you're invested in GESB Super or West State Super, you can choose from our range of investment plans.

3. Investment basics

The following investment basics may help give you a better understanding of how your money is invested, helping you to maximise your super.

Asset classes

We invest your super across the following broad asset classes: Cash, Fixed Interest, Shares, Property, Infrastructure, Alternatives and Private Equity. Within these broad asset classes, there are a number of geographic or sector focuses such as Australian and International Shares, or listed and unlisted Property.

Based on historical experience and future expectations, each of these asset classes has different expected levels of risk along with different expected returns. This is often reflected in their description as being either 'growth' (generally higher risk and return) or 'defensive' (generally lower risk and return) assets, or a combination of the two.[1]

Growth assets have historically produced higher returns and have historically outpaced the inflation rate over the long term. However, with higher expected returns comes increased risk, and growth assets can exhibit high levels of volatility in their returns. Returns may also be negative, reducing the value of the investment. Shares and Property are examples of growth assets.

Historically, defensive assets have tended to produce lower returns over the long term when compared to growth assets. However, defensive assets also tend to have relatively lower risk and exhibit lower levels of volatility. Cash and Fixed Interest are examples of defensive assets.

Our online 'Investment and performance' section

Deciding how to invest your super is important, but with so many investment options to choose from, it's hard to know where to start.

Our 'Investment and performance' section at gesb.wa.gov.au/investment is designed to give you more information in a simpler way.

For example:

- The pages feature interactive graphs and charts to help you easily compare the risk, returns and fees associated with our different investment plans
- You can learn more about our unit pricing, investment managers and how we invest to help you to make an informed choice about how to invest your super
- You can use our 'Selecting your investment plan tool' for help choosing an investment plan at gesb.wa.gov.au/investmenttool

Different fees are attached to each of the Readymade investment plans and for each Mix Your plan asset class. You should read the relevant 'Schedule of fees' brochure, available at gesb.wa.gov.au/brochures to find out more information about the fees that apply.

1 Past performance is not a reliable indicator of future performance.

Asset class descriptions

The general characteristics of each asset class that we invest in are described below.

	Description	Return/risk characteristics	How we invest
Shares	Shares (or Equities) represent an ownership stake in a company. Companies issue Shares to raise money, which is used to fund and grow the company with a view to earning profits. When you own Shares, you generally receive a portion of the company's profits, which may be returned to you as dividends.	Shares are typically bought and sold through stock markets, so the price of a company's Shares can fluctuate significantly. Historically, Shares have shown the highest returns of all traditional asset classes over the long term. Shares over the long term are generally expected to provide higher returns, but with higher risk than Cash, Fixed Interest or Property. However, they are also expected to experience greater volatility and a higher likelihood of experiencing negative returns.	We invest in Shares traded on Australian and overseas stock markets.
Private Equity	Private Equity represents an ownership stake in companies which are not traded on a public stock exchange. These can include start-up companies and more established firms. The money invested could be used in a range of ways, including buying other companies, launching or expanding companies (venture capital) and growing existing companies (growth capital). Private Equity investments are typically illiquid, which means the investment may not be sold as quickly as investments traded on public stock exchanges.	Private Equity investments are usually expected to achieve higher returns than traditional assets such as Cash, Fixed Interest and Property. Risks include exposure to companies that may have higher levels of debt, are in their start-up phase or are smaller than companies that are typically listed on a stock market. This asset class can carry higher risks than listed Shares and the investments tend to be illiquid and held for longer periods. Private Equity returns can also be influenced by different factors to those affecting traditional assets.	We invest in Private Equity by investing in unlisted Australian Shares, unlisted International Shares and certain types of unlisted Property and debt.
Property	Property investments allow investors to directly or indirectly own land and buildings. Indirect investment provides ownership of these types of assets through listed and unlisted Property trusts. Property assets can include retail (such as shopping centres), industrial (such as warehouses and factories), office properties, hotels and housing.	Historically, Property has demonstrated a tendency to be slightly less volatile than Shares and has produced medium-to-high returns over the long term. Property also has medium-to-high levels of risk and can be volatile in the short term. When Property investments are listed on a public stock exchange, they can be as volatile, or in some instances more volatile, than Shares.	We invest in listed Property trusts that trade on the Australian and overseas stock markets. We also invest in unlisted Property trusts that are not traded on stock markets. We do not invest in direct property assets. Note the Mix Your plan Property option generally only invests in listed Property investments.
Infrastructure	Infrastructure represents physical facilities needed to support the operation of a country or economy, for example roads, transport, utilities, airports and buildings.	Given the long-term nature and typically contracted revenue of the underlying assets, Infrastructure aims to generate low-to-medium returns with less volatility than asset classes such as Shares. Risk and return can vary depending on the type of project, but generally Infrastructure risk is considered to be moderate to high.	We invest in a range of Infrastructure assets which can include unlisted portfolios of Australian and overseas Infrastructure assets and listed Infrastructure investments which are traded on Australian and overseas stock markets.

	Description	Return/risk characteristics	How we invest
Alternatives	Alternative investments include absolute return funds, private debt, high-yield debt, insurance-linked securities and financial derivatives. This category can also include investment strategies to gain exposure to traditional asset classes using innovative investment approaches.	The broad range of asset classes and strategies in this category means that the risk and return characteristics of Alternative investments vary widely, but in general: • Alternative investments can be more complex and less liquid compared to the traditional asset classes • The risk profile is usually considered to be moderate to high	We invest in a range of Alternative investments. We distinguish between lower risk 'Defensive' Alternatives and moderate-to-high risk 'Medium Risk' Alternatives for asset allocation purposes.
Fixed Interest	Fixed Interest securities (including Bonds and floating rate debt investments) typically represent a loan arrangement between the owners and issuers of the securities. Governments and companies issue debt securities (for example Bonds and loans) to raise money. Other debt investments can be backed by portfolios of assets such as mortgages. The owners of debt securities are typically entitled to receive regular interest payments from the issuer at a pre-determined or inflation-linked interest rate, plus a lump-sum repayment of the principal at the end of the term.	Fixed Interest securities and loans can be bought and sold by investors, so market prices may fluctuate because of various market forces. Historically, Fixed Interest securities and debt investments have produced lower returns than Shares over the long term, but with less volatility. Generally, this asset class has a lower level of risk, but this really depends on the nature of the debt issuer and of the debt securities themselves. Issuers with poorer credit ratings can offer a higher rate of return; however, this is often accompanied by a higher risk of the issuer defaulting on repayment of the debt.	We invest in a range of Fixed Interest securities, including those with fixed or floating rates and inflation-linked interest rate securities issued by Australian and overseas governments, corporations and asset-backed investment vehicles.
Cash	Cash investments can include assets known as at-call and term bank deposits, bank bills, and investments in short-term debt securities issued by governments, banks and other highly-rated corporations.	Historically, Cash has produced the lowest long-term returns of all asset classes, but generally offers the highest level of stability in the short term. Cash tends to have a lower investment risk level with fairly stable returns.	We invest in a range of bank deposits and short-term debt securities issued by Australian governments and corporations.

Note: past performance is not a reliable indicator of future performance.

Understand risk and return

'Return' can be defined as the gain or loss in value of your investment over any period of time. 'Risk' can be broadly defined as the chance that the return will be different from what you expected.

Risk and return are closely related when it comes to investing. Generally speaking, the higher the potential return from an asset over time, the higher the potential risk.

The Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC) have created the 'Standard Risk Measure' to help super fund members compare the potential risk of various investment plans[2].

What is the Standard Risk Measure?

The Standard Risk Measure (SRM) was developed based on industry guidance and describes the number of years in any 20-year period a member should reasonably expect a negative return. This allows you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period.

The SRM is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than you may need to meet your goals. It also doesn't take into account the impact of administration fees and tax on the likelihood of a negative return. It's important to make sure you are comfortable with the risks and potential losses associated with your chosen investment option(s).

Using the SRM guidelines, we estimate the risk of each investment plan based on the expected return and risk characteristics of investments, the likely fluctuation in returns and the relationship between asset classes. Being estimates, the outcomes cannot be guaranteed.

Investment risk band	Investment risk label	Level of investment risk – 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

The SRM for each of the GESB Super and West State Super investment plans can be found in the Readymade plan and Mix Your plan tables on pages 16-21.

2 For more information visit the ASFA website at superannuation.asn.au.

Types of investment risk

There are a variety of risks associated with investing. Changes in market, economic and political conditions, or even investor sentiment, can result in the value of an investment moving up or down. Every type of investment involves some form of risk, and it's important to remember that there is no guarantee you will achieve your expected return, no matter which assets you invest in. Some of the main types of risk are described below.

The following risks are significant in terms of investing in GESB Super and West State Super. Please note that these types of risk have the potential to affect different asset classes in different ways.

Market risk

The risk of changes in economic, technical, political, legal or other factors impacting the financial markets and in turn the investment value of your account.

Inflation risk

The risk that your investment returns are below the inflation rate and therefore your buying power is reduced.

Currency risk

The risk that the values of foreign currencies rise or fall relative to the Australian dollar and affect the value of your investments.

Interest rate risk

The risk that changes in interest rates impact directly or indirectly on the value of your investments.

Credit risk

The risk that a borrower fails, or is perceived to have an increased risk of failing, to repay its debts. This can reduce the value of the securities issued by that borrower.

Liquidity risk

The risk of not being able to readily convert an investment into cash with little or no loss of capital and minimum delay.

Counterparty risk

The risk that a party to a contract fails to fulfil its contractual obligations, which can affect the realised value of the assets to which that contract relates.

Sequencing risk

The risk of receiving low or negative returns just prior to withdrawals being made from your super.

Longevity risk

The risk of the value of your super and other assets being insufficient to provide adequately for the duration of your retirement.

Environmental, social and governance risk

The risk that any environmental, social, governance (ESG) factors, including climate risk, may have a negative impact on the financial performance of your investment.

Operational risk

The risk that inadequate or failed processes, systems or policies will adversely affect the value of your investments.

Volatility of returns

Fluctuations in the value of your super can occur for a variety of reasons, and sometimes these fluctuations can occur quickly. The amount an investment rises or falls over a period of time is referred to as its volatility.

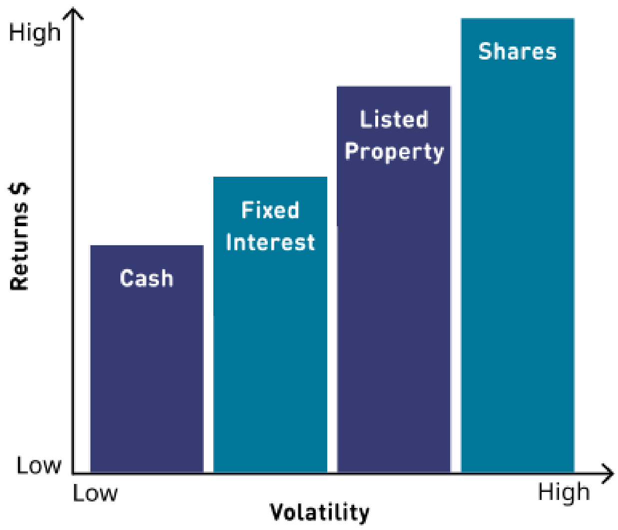
> Volatility is an important aspect of the risk of an investment.

Shares have a high level of volatility, because Share prices may change in value quickly (even by the minute) and tend to experience large rises and falls from time to time.

This means if you choose an investment plan with a high proportion of growth assets, such as Shares, there are likely to be some years when you have a negative return and your account balance goes down. From time to time these negative returns can be significant.

Defensive asset classes can be useful to moderate the volatility that growth assets may experience. For example, our GESB Super Growth investment plan has a small strategic allocation to Fixed Interest investments which have historically achieved more stable short-term returns[3]. Diversifying an investment portfolio across asset classes in this manner can reduce overall volatility, however, it is important to be aware that defensive asset classes also experience negative returns from time to time.

The graphic below illustrates the trade-off between return and risk. Asset classes that are expected to provide higher long-term returns are also expected to be more volatile, meaning their value is likely to fluctuate significantly (both up and down).



Source: ASIC, 'Investing between the flags', available at moneysmart.gov.au.

3 Past performance is not a reliable indicator of future performance.

Investment timeframe

Time has an important bearing on your investment outcomes and should be a key consideration when choosing an investment plan.

Your investment timeframe may impact how much risk you are willing to take with your investments. If you have a long investment timeframe (more than 10 years), you may be able to bear a greater short-term volatility of returns, with the knowledge that your investment should generate increased growth over the long term. Alternatively, over a short investment timeframe (for example, if you are seeking to access your super in less than three years), you may take a more defensive approach, to help avoid short-term volatility and have greater confidence in maintaining the value of your investment.

Periods of negative return are to be expected

The important thing to remember when you invest in both growth and defensive assets is that periods of significant negative returns are to be expected. If you take your money out of an investment when the markets have declined, you may crystallise this loss and not subsequently participate in positive returns should markets recover.

However, if you hold onto your investment over the long term, you may be more likely to recover from the low points, and may outperform those who try to time their buying and selling of assets based on short-term returns. The long-term historic outperformance of growth assets has been achieved despite this short-term volatility.

Even more conservative investments can decline in value over time

Just as investing in growth assets may be more likely to result in periods of negative return, there is also a risk of being too conservative. If you only invest in defensive assets, your investment may not grow faster than inflation over the long term and you may effectively lose buying power, even if you experience low levels of volatility. It is also important to remember that even defensive assets (such as Bonds) can decline in value from time to time.

It's important that you pick the investment plan that suits your risk profile, not the one that is performing best at any point in time. Our range of investment plans can be found on pages 16-21.

When considering your investment, it's important to understand that:

- The value of investment plans will go up and down, even in more conservative investment plans
- Returns are not guaranteed and there's a risk you may lose some of your money
- Those assets with potentially the highest return over the longer term (such as Shares) may also have the highest risk of losing money in the short-to-medium term
- The level of returns will vary
- Past performance is not a reliable indicator of future performance

The appropriate level of risk for you will depend on your age, investment timeframe, other assets outside super and how they are invested, and how comfortable you are with the possibility of losing some of your investment in some years.

We recommend that you talk to a financial adviser before deciding which investment plan best suits you.

4. Unit prices

Understanding 'unitised' investment plans

Like many other funds, we value accounts using units. When you, or your employer, makes contributions to your account, you purchase units in your investment plan. The units change in value as the value of the underlying asset classes (which make up the various investment plans) either increase or decrease.

A unit price is determined by dividing the total market value of the assets in each investment plan by the number of units held by members in that investment plan. As the market fluctuates on a daily basis, the total value of the investment plan changes.

Our unit prices are calculated daily

The market value of each investment plan is calculated on a daily basis. This market value is then divided by the total number of units in each investment plan to arrive at the new unit price. Therefore, the unit price reflects changes in the underlying market value of investments on a daily basis.

The unit prices are calculated net of the management fee and taxes on investment income if applicable. When money is withdrawn for member payments, the required number of units are sold at the unit price applicable at the time the transaction is processed and the number of units on issue is commensurately reduced.

Benefits of unit pricing

Unit pricing is a fair and efficient way of determining your account's value and processing transactions in your account.

It has several benefits, including:

- It helps in processing transactions in your account, which is especially important when there are several investment choices available
- No matter which investment plan you have, the value of your account can be calculated relatively quickly and easily
- It makes it easy for you to switch from one investment plan to another

Forward unit pricing

We typically use a 'forward unit pricing' system to value your investment. This is a widely adopted standard in the funds management and super industry.

Forward unit pricing means that the unit price we declare for any given day is based on the value of our assets at the close of business that day. This applies to all transactions in your account, including contributions, rolling funds into or out of your GESB account, and switches between investment plans.

The unit price determines how many units we buy or sell to process your transaction. To learn more about unit prices, visit gesb.wa.gov.au/unitpricingexplained.

Example

Kelly invests $50,000 in the Growth plan. If the current unit price for the Growth plan on establishment date is $1.0000, Kelly's investment will purchase a total of 50,000.00 units.

Buying units: $50,000 ÷ $1.0000 = 50,000.00 units

The reverse applies when Kelly redeems funds from her account, such as exiting an investment plan or withdrawing funds from the investment. The units redeemed are determined by dividing the payment amount by the current unit price for that investment option.

For example, Kelly requires a partial payment of $2,000 from her GESB Super account. The current unit price for the Growth plan is $1.1574, so Kelly will redeem a total of 1728.0111 units[4].

Selling units: $2,000 ÷ $1.1574 = 1728.0111 units

Where to find the current unit price

As unit prices change daily, you can review the unit price history of your chosen investment plan, or any other investment plans, at gesb.wa.gov.au/unitprices.

From time to time, unit prices and transactions may be suspended and new prices may be struck. This would most likely happen where there has been a material movement in the value of an asset class, and it is considered necessary to suspend unit prices and transactions in order to ensure fairness among our members.

Our Board has the discretion to depart from the unit pricing calculation policy when deemed necessary. This may include using historical pricing in some cases. If our Board uses this discretion, we will notify members of the details, including the date it occurred, what discretion was used and why on our website at gesb.wa.gov.au/unitprices.

4 Applicable fees and costs apply.

5. How do you work out which asset classes to invest in?

Every investor is different. Factors such as your age, the amount of super you already have and how well you tolerate market volatility can determine how much risk you are willing to take, or your risk profile.

If you're willing to take more risk, typically seek to maximise your long-term returns and are willing to accept a wide range of returns (high to low, positive and negative) from year to year, the Growth investment plan may be suitable for you.

On the other hand, if you're a conservative investor who typically seeks more stable year-on-year returns, the Balanced or Conservative investment plans might be more suitable for you.

It's important to note that you should consider the likely investment return, risk, and your investment timeframe when choosing an investment option. You should also consider seeking professional advice relevant to your personal circumstances when making any investment decisions.

6. Responsible investing

Responsible investing plays an important role in how we manage investments over the long term. When investing on behalf of our members, we are focused on ensuring material investment risks, including environmental, social or governance (ESG) risks and opportunities, are taken into account. ESG risks and opportunities are any factors related to the environment, society or company management which have the potential to impact the long-term sustainability of future investment returns.

Failing to consider ESG factors can lead to mispricing investment risk and poor investment decisions. That's why managing ESG risks and opportunities is an important part of our investment strategy and reflects our Board's duty to consider the risks associated with different kinds of investments.

GESB takes into account labour standards when selecting and managing investments on behalf of members to the extent that they financially affect the investment. This is assessed on a case-by-case basis by appointed investment managers and there is no predetermined view as to how this applies to all investments.

Our whole-of-portfolio approach to responsible investing means we look at ESG factors throughout the following stages of the investment process:

- Investment strategy – through understanding the impact ESG factors, such as climate change, could have on long-term investment returns and risk
- Portfolio construction – through understanding exposures to various ESG risks and opportunities, focusing initially on the Australian and International equity portfolios
- Investment manager selection and monitoring – through understanding how external investment managers integrate ESG factors into their investment decisions and monitoring whether they act in a manner consistent with their stated approach
- Company engagement – through requesting that external investment managers engage with investee companies and appropriately undertake proxy voting on our behalf
- Engagement with asset consultant(s) – through requiring that appointed asset consultant(s) integrate ESG factors into their investment process and advice

To learn more about how we consider and approach ESG factors in our investment process, read our ESG and Responsible Investment Policy at gesb.wa.gov.au/esg.

Climate change

We recognise that climate change and the transition to a low carbon economy are important ESG factors. We are committed to transitioning the portfolio towards net zero emissions by 2050, which is consistent with the goals of the Paris Agreement and in line with the Western Australian Climate Change Policy. To support this position, we have adopted a climate change transition plan. This plan details the intended pathway and metrics to measure our progress towards the targets set, including our interim reduction targets over the medium term for listed equities and unlisted property.

To learn more about how we're planning to meet our climate change goals, read 'Our climate change actions' at gesb.wa.gov.au/climate-change.

Portfolio-wide exclusions

As part of our responsible investing approach, we have implemented certain exclusions across the portfolio. We consider portfolio-wide exclusions only when it is determined to be in the best financial interests of members.

As at the date of this document, we do not invest in:

- Tobacco – companies that manufacture cigarettes and other tobacco products
- Controversial weapons – companies that have any ties to the manufacture of controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological or chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons)
- Nuclear weapons – companies that manufacture nuclear weapons (or components of), including nuclear warheads, intercontinental ballistic missiles and ballistic missile submarines

In March 2022 we introduced an additional portfolio exclusion for any equity securities or debt issued by a Russian domiciled company or by the Russian Government. This exclusion does not apply to any investments that are currently held but are unable to be sold.

Please note that these exclusions only apply where we have a dedicated mandate with an investment manager in place (approximately 86% of our funds under management as at the date of this document). They do not apply where we have invested via a pooled fund investment, as it is not practical for us to implement.

Please refer to the ESG and Responsible investment policy on our website at gesb.wa.gov.au/esg for more details on the portfolio-wide exclusions.

For details of our full stock holdings for our investment options, visit our website at gesb.wa.gov.au/holdings. This information is updated every six months.

Sustainable Balanced investment plan

In addition to our responsible investing approach, we offer a Sustainable Balanced investment plan for members who would like to invest their super with a greater focus on ESG considerations.

The Sustainable Balanced investment plan is a Readymade plan which invests across a range of asset classes that are selected to meet stricter ESG criteria and applies additional exclusions.

The plan currently invests in Pendal Sustainable Balanced Fund, which is a pooled fund investment actively managed by appointed investment manager, Pendal Institutional Limited (Pendal).

The Sustainable Balanced plan invests in companies and issuers that are considered by Pendal to demonstrate leading ESG and ethical practices, while managing exposure to those with material involvement in activities that Pendal considers to negatively impact the environment or society.

ESG criteria and exclusions

The ESG criteria adopted by Pendal may result in some industry sectors, companies and issuers being excluded from the portfolio. These exclusions apply to investments within Australian and International Shares, Australian and International Fixed Interest, and Alternatives[5]. Exclusions are applied differently across these asset classes. Exclusions do not currently apply to Cash and Property.

These exclusions are in addition to those adopted across our whole of investment portfolio as detailed in the 'Portfolio-wide exclusions' section on the previous page.

The exclusions applicable for each asset class within the Sustainable Balanced plan are outlined on this and the following pages. It is important to be aware of how different exclusions and criteria apply across the asset classes.

For details of stock holdings, visit our website at gesb.wa.gov.au/holdings. This information is updated every six months.

Australian Shares

Within Australian Shares, the Sustainable Balanced plan will not invest in companies that:

Tobacco

- Produce tobacco (including e-cigarettes and inhalers), or
- Derive 10% or more of their gross revenue from the distribution of tobacco (including e-cigarettes and inhalers), or
- Derive 10% or more of their gross revenue from the supply of goods or services specifically related to the tobacco industry (for example, packaging or promotion)

Weapons

- Manufacture or distribute controversial weapons (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, incendiary weapons, and white phosphorous weapons); or supply goods or services specifically related to controversial weapons, or
- Manufacture non-controversial weapons or armaments (including civilian firearms or military equipment), or
- Derive 10% or more of their gross revenue from the distribution or retailing of non-controversial weapons or armaments (including civilian firearms or military equipment); or supply goods or services specifically related to non-controversial weapons or armaments

Fossil Fuels

- Directly extract or explore for fossil fuels (specifically, coal, oil and gas)[6]
- Derive 10% or more of their gross revenue from fossil fuel-based power generation, or from fossil fuel refinement or distribution (coal, oil and gas)[6], or
- Derive 10% or more of their gross revenue from the provision of supplies or services which relate specifically to fossil fuel extraction or exploration (coal, oil and gas)[6]

Alcohol

- Produce alcoholic beverages, or
- Derive 10% or more of their gross revenue from the distribution or retailing of alcoholic beverages

Pornography

- Produce pornography, or
- Derive 10% or more of their gross revenue from the distribution or retailing of pornography

Uranium

- Derive 10% or more of their gross revenue from directly mining uranium for the purpose of nuclear power generation

Logging

- Derive 10% or more of their gross revenue from unsustainable forestry or forest products, including non-Forest Stewardship Council certified forest products or non-Roundtable on Sustainable Palm Oil certified palm oil production

5 Exclusions are implemented in approximately 100% of Alternatives asset class but this may vary from time to time.
6 There is an exception, as determined by Pendal, where the option may invest in companies that have a Paris Agreement-aligned transition plan in place and are able to produce climate-related financial disclosure annually which in both cases Pendal considers credible.

Gambling

- Directly manufacture, own or operate gambling facilities, gaming services or other forms of wagering, or
- Derive 10% or more of their gross revenue from the indirect provision of gambling (for example, through telecommunications platforms)

Animal cruelty

- Directly undertake animal testing for cosmetic products, or
- Directly undertake live animal export

Predatory lending

- Directly provide products or services with lending practices that are unfair or deceptive to ordinary borrowers, including small amount short-term loans at higher than commercial rates of interest (for example, payday loans, pawn loans or the use of aggressive sales tactics)

Breaches and misconduct

- Companies which Pendal considers to have been found in significant breaches of social or environmental norms or regulations, or are subject to serious and substantiated allegations of unethical conduct, which Pendal considers have not been remedied or adequately addressed

International Shares

Within International Shares, the Sustainable Balanced plan will not invest in companies that directly:

Tobacco

- Produce tobacco (including e-cigarettes and inhalers), or

Weapons

- Manufacture controversial weapons (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, blinding laser weapons, incendiary weapons and/or non-detectable fragments), or

Fossil Fuels

- Extract or explore for fossil fuels (specifically, coal, oil and natural gas)

Within International Shares, the Sustainable Balanced plan will also not invest in companies which derive 10% of more of their gross revenue directly from:

- Fossil Fuels - fossil fuel-based power generation, or from fossil fuel refinement or distribution (coal, oil and gas)[7]
- Alcohol - the production of alcoholic beverages
- Gambling – the manufacture, ownership or operation of gambling facilities, gaming services or other forms of wagering
- Weapons – the manufacture of non-controversial weapons or armaments
- Pornography - the manufacture or distribution of pornography
- Uranium – the mining of uranium for the purpose of nuclear power generation

Australian Fixed Interest

Within Australian Fixed Interest, the Sustainable Balanced plan will not invest in issuers that:

Tobacco

- Produce tobacco (including e-cigarettes and inhalers)

Weapons

- Manufacture controversial weapons (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons and/or non-detectable fragments)

Within Australian Fixed Interest, the Sustainable Balanced plan will also not invest in issuers which derive 5% or more of their gross revenue from:

- Fossil Fuels – the exploration, extraction or refinement of fossil fuels (specifically coal, oil and gas), or
- Alcohol – the production of alcoholic beverages, or
- Gambling – the manufacture or provision of gambling facilities, or
- Weapons – the manufacture of of non-controversial weapons or armaments, or
- Pornography – the manufacture or distribution of pornography, or
- Uranium – the direct mining of uranium for the purpose of weapons manufacturing.

International Fixed Interest

Within International Fixed Interest, the Sustainable Balanced plan will not invest in issuers that directly:

Tobacco

- Produce tobacco (including e-cigarettes and inhalers)

Weapons

- Manufacture controversial weapons (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons and/or non-detectable fragments)

Within International Fixed Interest, the Sustainable Balanced plan will also not invest in issuers which derive 10% or more of their gross revenue from:

- Fossil Fuels – the extraction of thermal coal and oil sands production, or
- Alcohol – the production of alcoholic beverages, or
- Gambling – the manufacture or provision of gambling facilities, or
- Weapons – the manufacture of non-controversial weapons or armaments, or
- Pornography – the manufacture or distribution of pornography, or
- Uranium – the direct mining of uranium for the purpose of weapons manufacturing

7 There is an exception, as determined by Pendal, where the option may invest in companies that have a Paris Agreement-aligned transition plan in place and are able to produce climate-related financial disclosure annually which in both cases Pendal considers credible.

Alternatives[8]

Within parts of Alternatives, the Sustainable Balanced plan will not invest in companies and issuers that directly:

Tobacco

- Produce tobacco (including e-cigarettes and inhalers)

Weapons

- Manufacture controversial weapons (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments)

Within Alternatives, the Sustainable Balanced plan will also not invest in companies and issuers which derive 10% or more of their gross revenue directly from:

- Fossil Fuels – the extraction of thermal coal and oil sands production, or
- Alcohol – the production of alcoholic beverages, or
- Gambling – the manufacture, ownership or operation of gambling facilities, gaming services or other forms of wagering, or
- Weapons – the manufacture of non-controversial weapons or armaments, or
- Pornography – the manufacture or distribution of pornography, or
- Uranium – the direct mining of uranium for the purpose of nuclear power generation

Note, the use of equity index futures and other derivatives may result in GESB's Sustainable Balanced plan having indirect exposure to the excluded companies and/or issuers from time to time.

It is important to note that the exclusion of certain sectors and/or investments may impact Sustainable Balanced plan returns when those excluded sectors and/or investments perform well, or poorly.

While all reasonable care has been taken to implement the exclusions applied to the Sustainable Balanced plan, GESB and Pendal cannot guarantee that the criteria will be met at all times. This is because the nature, business operations and conduct of a company may change over time, and publicly available financial or other information used by Pendal is not always comprehensive or up to date.

8 Exclusions are implemented in approximately 100% of Alternatives asset class but this may vary from time to time.

7. Your investment plan choices

You can select from a range of Readymade plans designed by us, or take an active role in setting your preferred asset allocation through Mix Your plan.

If you don't choose an option, we will automatically invest your super into the relevant default plan for your GESB scheme. For GESB Super members, your default option is the My GESB Super plan. For West State Super members, your default option is the My West State Super plan.

Readymade plans

Each of the Readymade plans has a different asset allocation. The plans have been carefully selected by us to allow for the differing risk profiles of our members. From time to time, we adjust the proportions invested in each asset class within the allowable ranges to ensure the mix remains relevant to current market conditions.

The tables on page 16-19 contains information on the risk/return profiles, investment timeframes, objectives and target asset allocations of each Readymade plan.

There are different Readymade plans available for each of the following accounts:

- GESB Super
- West State Super

Mix Your plan

Our Mix Your plan option is suitable if you want to take a hands-on approach to your super by determining your own asset mix. Mix Your plan offers a choice of asset classes, and allows you to select any single asset class, or a mixture in multiples of 5%:

- Australian Shares
- International Shares
- Property
- Fixed Interest
- Cash

All Mix Your plan strategies contain a small strategic allocation to Cash for liquidity purposes. Mix Your plan Fixed Interest invests in Investment Grade Bonds.

If you select Mix Your plan, it's important to check your investment mix is on track from time to time, because the mix you choose could 'drift' as markets fluctuate.

For example, if the Australian Shares component of your super outperforms other asset classes, your asset allocation will increasingly be weighted to Australian Shares. Rebalancing ensures the percentage held in each asset class remains the same over time.

Tips to work out which investment plan is right for you

- Check your member statement or log into Member Online at mol.gesb.wa.gov.au to see what investment plan you are in
- Use our 'Retirement planning' calculator at gesb.wa.gov.au/calculators to get an idea of how much super you may need
- Look at the past performance of our investment plans (while keeping in mind that past performance is not a reliable indicator of future performance)
- Use our 'Selecting your investment plan' tool at gesb.wa.gov.au/investmenttool for help choosing which plan may best suit your circumstances and investment goals
- It's important to note that you should consider the likely investment return, risk, and your investment timeframe when choosing an investment option. You should also consider seeking professional advice relevant to your personal circumstances when making any investment decisions

Case studies: choosing an investment plan

These case studies are provided for illustrative purposes only, and are not recommendations. You should consider seeking professional advice for your circumstances before making a decision. There is no guarantee that any particular investment plan will perform in a particular way.

Jackie: Growth

Jackie is a West State Super member who has been working full-time for two years. She has a small amount in her super account and wants to maximise the earning potential of her super so chooses the Growth investment plan. Jackie knows that even though the volatility of growth assets might result in her super balance going down for periods of time, she's prepared to accept this risk in return for a higher probability of increased growth over the long term.

Tom: Balanced

Tom is a GESB Super member and recently retired. Having talked with a financial planner, he's comfortable with the value of his super and other investments to support him and his wife through retirement. Given his situation, Tom is not concerned with outperforming the share market and would rather take on a lower risk of negative returns for his super balance. For the time being, Tom chooses the Balanced plan, and will monitor investment markets, along with his expenses, in case he needs to change strategy.

Courtney: My GESB Super

Courtney is a GESB Super member who recently accepted a new job and pay rise. She now has a long-term plan to pay off her mortgage and make extra contributions to her super through salary sacrifice. Although Courtney is a naturally conservative person, she recognises the importance of diversifying in her investments. She therefore selects the My GESB Super plan.

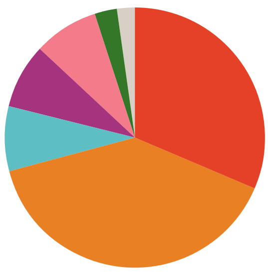
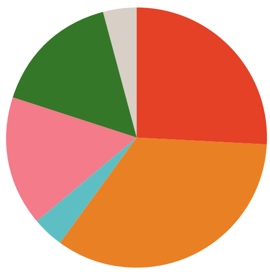
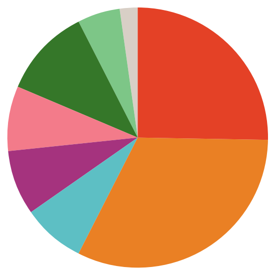
Jason: Mix Your plan

Jason is a West State Super member in his fifties who owns Shares and an investment property. Jason enjoys monitoring investment markets and feels he would benefit from deciding on his own asset allocation for his super. Jason chooses the Mix Your plan option and allocates 60% of his super to International Shares, since all of his other Share investments outside of his super are in Australian companies. He invests the remainder in Property and Fixed Interest.

Anna: Sustainable Balanced

Anna is a GESB Super member in her thirties. Anna prefers to have less of her super invested in companies or industries that may have a negative environmental or social impact. She is prepared to accept a high risk of negative returns knowing that her super is a long term investment. Because of this, she chooses the Sustainable Balanced plan. By not investing in certain industries, Anna understands that in those periods that the excluded sectors perform well, her investment plan may perform poorly in comparison to other investment plans.

Readymade investment plans – GESB Super

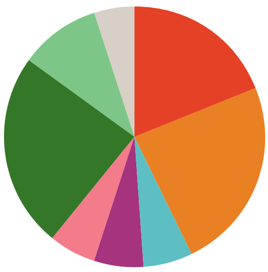
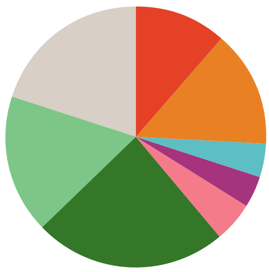
	Growth plan	Sustainable Balanced plan	My GESB Super plan
Who might choose it?	This might suit you if you can accept a wide range of returns (both positive and negative) from year to year, for an increased likelihood of stronger long-term earnings.	This might suit you if you want to invest with a greater focus on environmental, social and governance considerations by managing exposures to certain industries. Also, a high level of fluctuation in investment returns from year to year should be accepted, for an increased likelihood of strong earnings. Refer to section 6 for details on what exclusions are implemented for this option.	This might suit you if you can accept a high level of fluctuation in investment returns from year to year, for an increased likelihood of strong earnings.
Investment return objective[9]	To achieve a return of CPI[10] + 4.0% p.a. over rolling 10-year periods	To achieve a return of CPI[10] + 3.0% p.a. over rolling 7-year periods	To achieve a return of CPI[10] + 3.0% p.a. over rolling 7-year periods
Investment risk label[11]	High	High	High
Investment risk band[11]	6	6	6
Minimum investment timeframe	10 years	7 years	7 years
Level of investment risk - estimated number of negative returns over any 20-year period[11]	Less than 6	Less than 5	Less than 5
Benchmark index	Composite Index[12]	Composite Index[12]	Composite Index[12]
Growth/Defensive split[13]	88/12	72/28	74/26
Strategic Asset Allocation approved 3 August 2023			

	Growth plan Target	Growth plan Allowable range	Sustainable Balanced plan Target	Sustainable Balanced plan Allowable range	My GESB Super plan Target	My GESB Super plan Allowable range
Australian Shares	31.5%	(19.5%-43.5%)	26%	(12%-40%)	25.5%	(13.5%-37.5%)
International Shares	39.5%	(26.5%-50.5%)	34%	(20%-48%)	32%	(19%-43%)
Private Equity	0%	(0%-6%)	0%	(0%-6%)	0%	(0%-6%)
Property	8%	(2%-14%)	4%	(0%-20%)	8%	(2%-14%)
Infrastructure	8%	(2%-14%)	0%	(0%-12%)	8%	(2%-14%)
Medium Risk Alternatives	8%	(0%-20%)	16%	(0%-30%)	8%	(0%-20%)
Investment Grade Bonds	3%	(0%-15%)	16%	(0%-50%)	11%	(0%-23%)
Defensive Alternatives	0%	(0%-12%)	0%	(0%-12%)	5.5%	(0%-17.5%)
Cash	2%	(0%-22%)	4%	(0%-25%)	2%	(0%-22%)

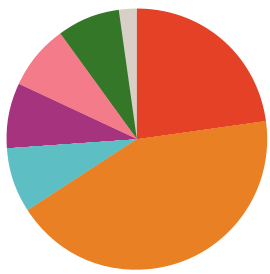
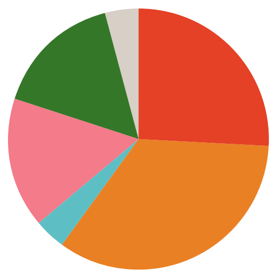
Historical performance as at 31 August 2023 - net returns

	Growth plan	Sustainable Balanced plan	My GESB Super plan
1 year (%)	8.44	-	7.21
3 years (% p.a.)	8.10	-	6.72
5 years (% p.a.)	5.81	-	5.17
10 years (% p.a.)	7.36	-	6.59

Notes and footnotes for our GESB Super Readymade investment plans are on page 23.

Balanced plan	Conservative plan	Cash plan
This might suit you if you can accept a moderate level of fluctuation in your investment returns from year to year, for an increased likelihood of moderate to strong earnings.	This might suit you if want some of your money invested in Shares and Property for an increased likelihood of achieving some growth, but you're looking for fairly stable earnings from year to year.	This might suit you if you want to protect the value of your investment in the short term, rather than seeking long-term growth.
To achieve a return of CPI[10] + 2.5% p.a. over rolling 6-year periods	To achieve a return of CPI[10] + 2.0% p.a. over rolling 5-year periods	To achieve a return of at least the Bloomberg AusBond Bank Bill Index over rolling 12-month periods
Medium to high	Medium	Very low
5	4	1
6 years	5 years	Around 12 months
Less than 4	Less than 3	Less than 0.5
Composite Index[12]	Composite Index[12]	Bloomberg AusBond Bank Bill Index
56/44	35/65	0/100
		
Target / **Allowable range** **Australian Shares** 19% (7%-31%) **International Shares** 24% (11%-35%) **Private Equity** 0% (0%-6%) **Property** 6% 0%-12%) **Infrastructure** 6% (0%-12%) **Medium Risk Alternatives** 6% (0%-18%) **Investment Grade Bonds** 24% (12%-36%) **Defensive Alternatives** 10% (0%-22%) **Cash** 5% (0%-25%)	**Target** / **Allowable range** **Australian Shares** 11.5% (6%-18%) **International Shares** 14.5% (9%-21%) **Private Equity** 0% 0%-4%) **Property** 4% (0%-10%) **Infrastructure** 4% (0%-10%) **Medium Risk Alternatives** 5% (0%-10%) **Investment Grade Bonds** 24% (14%-38%) **Defensive Alternatives** 17% (3%-27%) **Cash** 20% (0%-40%)	**Target** / **Allowable range** **Cash** 100% (n/a)
5.79	4.76	3.12
4.75	3.01	1.24
4.04	3.04	1.29
5.66	4.23	1.70

Readymade investment plans – West State Super

	Growth plan	Sustainable Balanced plan
Who might choose it?	This might suit you if you can accept a wide range of returns (both positive and negative) from year to year, for an increased likelihood of stronger long-term earnings.	This might suit you if you want to invest with a greater focus on environmental, social and governance considerations by managing exposures to certain industries. Also, a high level of fluctuation in investment returns from year to year should be accepted, for an increased likelihood of strong earnings. Refer to section 6 for details on what exclusions are implemented for this option.
Investment return objective[9]	To achieve a return of CPI[10] + 4.0% p.a. over rolling 10-year periods	To achieve a return of CPI[10] + 3.0% p.a. over rolling 7-year periods
Investment risk label[11]	High	High
Investment risk band[11]	6	6
Minimum investment timeframe	10 years	7 years
Level of investment risk - estimated number of negative returns over any 20-year period[11]	Less than 6	Less than 5
Benchmark index	Composite Index[12]	Composite Index[12]
Growth/Defensive split[13]	83/17	72/28
Strategic Asset Allocation approved 3 August 2023		

Growth plan

Target	Allowable range
Australian Shares 23%	(11%-35%)
International Shares 43%	(30%-54%)
Private Equity 0%	(0%-6%)
Property 8%	(2%-14%)
Infrastructure 8%	(2%-14%)
Medium Risk Alternatives 8%	(0%-20%)
Investment Grade Bonds 8%	(0%-20%)
Defensive Alternatives 0%	(0%-12%)
Cash 2%	(0%-22%)

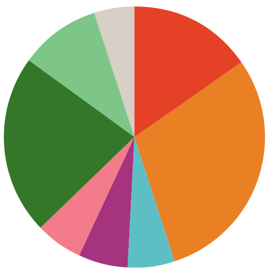
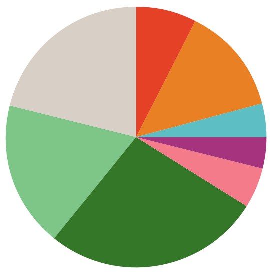
Sustainable Balanced plan

Target	Allowable range
Australian Shares 26%	(12%-40%)
International Shares 34%	(20%-48%)
Private Equity 0%	(0%-6%)
Property 4%	(0%-20%)
Infrastructure 0%	(0%-12%)
Medium Risk Alternatives 16%	(0%-30%)
Investment Grade Bonds 16%	(0%-50%)
Defensive Alternatives 0%	(0%-12%)
Cash 4%	(0%-25%)

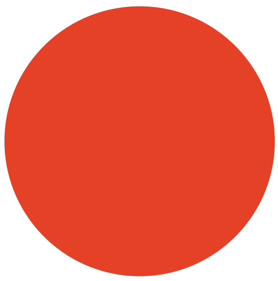
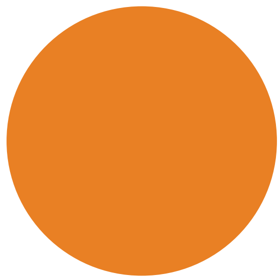
Historical performance as at 31 August 2023 - net returns

	Growth plan	Sustainable Balanced plan
1 year (%)	9.32	-
3 years (% p.a.)	7.97	-
5 years (% p.a.)	5.93	-
10 years (% p.a.)	7.53	-

Notes and footnotes for our West State Super Readymade investment plans are on page 23.

My West State Super plan	Conservative plan	Cash plan
This might suit you if you can accept a moderate level of fluctuation in investment returns from year to year, for an increased likelihood of moderate to strong earnings.	This might suit you if you want some of your money invested in Shares and Property for an increased likelihood of achieving some growth, but you're looking for fairly stable earnings from year to year.	This might suit you if you want to protect the value of your investment in the short term, rather than seeking long-term growth.
To achieve a return of CPI[10] + 3.0% p.a. over rolling 7-year periods	To achieve a return of CPI[10] + 2.0% p.a. over rolling 5-year periods	To achieve a return of at least the Bloomberg AusBond Bank Bill Index over rolling 12-month periods
Medium to high	Medium	Very low
5	4	1
7 years	5 years	Around 12 months
Less than 4	Less than 3	Less than 0.5
Composite Index[12]	Composite Index[12]	Bloomberg AusBond Bank Bill Index
58/42	30/70	0/100
 **Target** / **Allowable range** **Australian Shares** 15.5% (3.5%-27.5%) **International Shares** 29.5% (16.5%-40.5%) **Private Equity** 0% (0%-6%) **Property** 6% (0%-12%) **Infrastructure** 6% (0%-12%) **Medium Risk Alternatives** 6% (0%-18%) **Investment Grade Bonds** 22% (10%-34%) **Defensive Alternatives** 10% (0%-22%) **Cash** 5% (0%-25%)	 **Target** / **Allowable range** **Australian Shares** 7.5% (2%-14%) **International Shares** 13.5% (8%-20%) **Private Equity** 0% (0%-4%) **Property** 4% (0%-10%) **Infrastructure** 4% (0%-10%) **Medium Risk Alternatives** 5% (0%-10%) **Investment Grade Bonds** 27% (17%-41%) **Defensive Alternatives** 18% (4%-28%) **Cash** 21% (1%-41%)	 **Target** / **Allowable range** **Cash** 100% (n/a)
6.96	4.84	3.67
5.87	2.52	1.46
4.86	2.84	1.52
6.57	4.17	2.02

Mix Your plan investment plans

	Australian Shares	International Shares
Who might choose it?	This might suit you if you can accept a wide range of earnings (both positive and negative) from year to year and you're looking for return and risk characteristics similar to the Australian share market.	This might suit you if you can accept a wide range of earnings (both positive and negative) from year to year, and you're looking for return and risk characteristics similar to the global share market.
Investment return objective[14]	To outperform the plan's benchmark index over rolling 3-year periods	
Investment risk label[15]	Very high	High
Investment risk band[15]	7	6
Minimum investment timeframe	10 years or more	10 years or more
Level of investment risk - estimated number of negative returns over any 20-year period[15]	Greater than 6	Less than 6
Benchmark index	S&P/ASX 300 Accumulation Index	MSCI All Countries World ex-Australia Net Index[16]
Growth/Defensive split[18]	100/0	100/0
Strategic Asset Allocation approved 3 August 2023		

Australian Shares

Target	Allowable range
Australian Shares 100%	(n/a)

International Shares

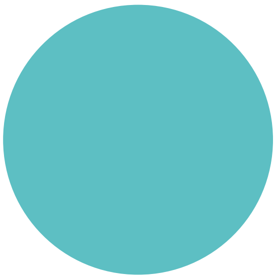
Target	Allowable range
International Shares 100%	(n/a)

Historical performance as at 31 August 2023 - net returns

	GESB Super	West State Super	GESB Super	West State Super
1 year (%)	8.09	8.18	15.96	17.37
3 years (% p.a.)	10.78	11.40	9.94	11.35
5 years (% p.a.)	6.80	6.45	7.36	8.42
10 years (% p.a.)	7.75	7.51	9.45	10.70

Notes and footnotes for Mix your plan investment plans are on page 23.

Property	Fixed Interest	Cash
This might suit you if you can accept a high level of fluctuation in investment returns from year to year, and you're looking for return and risk characteristics similar to the global listed real estate market.	This might suit you if you're looking for fairly stable earnings from year to year rather than seeking long-term growth.	This might suit you if you want to protect the value of your investment in the short term, rather than seeking long-term growth.
To outperform the plan's benchmark index over rolling 3-year periods		To achieve a return of at least the Bloomberg AusBond Bank Bill Index over rolling 12-month periods
High	Medium	Very low
6	4	1
10 years or more	1 to 3 years	Around 12 months
Less than 6	Less than 3	Less than 0.5
FTSE EPRA/NAREIT Developed Net Total Return Index[17]	50% Barclays Global Aggregate ex-CNY Index (hedged into Australian dollars) and 50% Bloomberg AusBond Composite 0+ Yr Index	Bloomberg AusBond Bank Bill Index
100/0	0/100	0/100



Target	Allowable range
Property 100%	(n/a)

Target	Allowable range
Fixed Interest 100%	(n/a)

Target	Allowable range
Cash 100%	(n/a)

GESB Super	West State Super	GESB Super	West State Super	GESB Super	West State Super
-5.98	-5.95	0.46	0.65	3.12	3.67
2.16	2.95	-2.82	-3.27	1.24	1.46
-0.60	-0.43	0.47	0.53	1.29	1.52
4.25	4.87	1.80	2.08	1.70	2.02

8. How to manage, switch or rebalance your investment plan

Whether you're choosing your investment plan for the first time, or making a regular adjustment, we aim to make it easy.

To help you decide on your investment plan, we recommend you read the information in this booklet and seek professional advice if you need it.

How to change your investment plan

If your circumstances change, or you change your mind, you can easily switch your investment plan at any time – and we don't charge a fee for this. You can either:

- Visit mol.gesb.wa.gov.au to log into or register for Member Online, go to the 'Investments' tab and choose the 'Change your investment plan' option
- Go to gesb.wa.gov.au/forms to download our 'Investment choice' form, and submit your completed form to us

When changing or rebalancing your investment plan, please consider our standard processing timeframes and other important information below.

Please note, if you switch your investment plan, all of your units will be sold and then new units bought according to your new plan.

When your investment switch will take effect

We will process your investment switch on the first available day after receiving it. Generally, within two to three business days of receiving your request. A business day is a workday other than a public holiday or weekend in Western Australia. However, sometimes it may take up to five business days to process your switch.

Please keep in mind that your investment switch will take effect on the day it's processed and not the day it's submitted or received. The day we process your switch is known as the 'effective date'.

We won't know the unit price until after your switch has taken effect

The unit price on the 'effective date' of your switch will be applied to the transaction.

However, as we use a forward unit pricing system, this price won't be available until the next business day after your request has been processed. For more information, see the 'Unit prices' section on page 9.

Once the unit price has been finalised and applied to your switch, the process is complete. Your account balance and any future contribution or payment into your account will be invested immediately into your new investment plan.

If you've submitted our paper-based 'Investment choice' form, we will send you a letter confirming the changes in writing, including the unit price that applied to your switch. If you've completed our online form, you'll be able to see the details of the transaction in Member Online, usually within five business days of the effective date of your switch.

We cannot guarantee the unit price that will apply to your switch

We aim to process all switches within five business days. However, we cannot guarantee the exact processing date – or the unit price – for any individual request.

From time to time, it may take us longer than five business days to process your switch, due to factors outside of our control. As outlined earlier, if there's a material change in the value of an asset class, we may temporarily suspend transactions and unit prices to ensure fairness among our members. If this happens, we'll notify you through our website at gesb.wa.gov.au/unitprices.

Changing your investment plan may result in a loss

When you switch your investment, you are selling units in your existing plan and purchasing units in your chosen new plan. These units go up and down in value, much like shares, to reflect changes in the market value of our assets. This means that changing your investment plan when markets are fluctuating may result in a loss in the value of your investment, and, therefore, a lower account balance.

For a general guide on investing during a market downturn, see our video 'Investing during market volatility' at gesb.wa.gov.au/volatility.

How to rebalance your Mix Your plan

If you have a GESB Super or West State Super account, you can choose to automatically rebalance your Mix Your plan according to your initial investment choice, so the percentage held in each asset class remains the same over time.

You can automatically rebalance your Mix Your plan on a quarterly, half-yearly or yearly basis.

To set up automatic rebalancing:

- Login or register for Member Online at mol.gesb.wa.gov.au. Go to the 'Investments' tab, choose the 'Change your investment plan' option and complete the relevant 'Rebalancing' section
- Go to gesb.wa.gov.au/forms to download our 'Investment choice' form, and submit your completed form to us

Please note, if you automatically rebalance your Mix Your plan, all of your units will be sold and then new units bought to match your selection.

Standard switch processing times will apply. For more information, contact your Member Services Centre on 13 43 72.

9. Our investment approach

We use experienced investment professionals to manage a global investment portfolio. Their role is to formulate appropriate investment strategies and appoint investment managers.

We appoint external investment managers to buy and sell assets, and typically appoint more than one manager to each asset class. This 'multi-manager' approach captures the skills of each manager, while mitigating the risk of having a concentrated exposure to a particular manager or investment style. Investment managers are carefully selected and regularly reviewed to ensure they meet our investment guidelines, deliver on risk and return objectives and maintain a consistent investment process. A portion of the Cash assets may also be invested directly in bank term deposits. The Sustainable Balanced plan is invested with a single investment manager. You can view a complete list of our external investment managers at gesb.wa.gov.au/managers.

For each of the asset classes, we may allow investment managers to invest in a range of financial instruments, including derivatives. For example, currency forwards are an important tool that our investment team and our investment managers use to manage the foreign exchange risks associated with investments in overseas markets.

Notes and footnotes for 'Readymade plans' tables on pages 16-19

Notes

a. The target allocations and allowable ranges may be subject to change during your membership. We may alter the Strategic Asset Allocation or the composition of individual asset classes from time to time, without prior notice.

b. The cost of managing different investments varies, so the investment fees and costs are different for each investment plan. For example, investment costs for the Cash plan or Conservative plan will be lower than those for a Growth plan, as growth assets are typically more complex and expensive to manage.

c. The performance of your investment plan is not guaranteed and returns may move up or down depending on factors such as investment market conditions. Any returns are reported net of investment fees and costs and applicable taxes for GESB Super and net of investment fees and costs for West State Super, and based on transactional prices. Past performance should not be relied on as an indication of future performance. Changes in investment strategy, such as the appointment of new external investment managers, may impact on future performance.

d. Returns greater than 1 year are annualised.

e. The Strategic Asset Allocation is a target allocation. The actual allocation may vary from target within the pre-approved range, for a period.

f. The Strategic Asset Allocation to Property includes listed and unlisted investments.

Footnotes

9 The investment return objective is the investment return all Readymade plans will seek to achieve after investment fees and taxes for GESB Super Readymade plans, and after investment fees only for West State Super Readymade plans and all Cash plans.

10 Consumer Price Index (CPI).

11 Based on the Standard Risk Measure.

12 Composite Index comprising the following indices for each asset class in proportion to the investment plan's strategic allocation:

- International Shares: MSCI All Countries World ex-Australia Net Index (partially hedged into Australian dollars)
- Global Listed Property: FTSE EPRA/NAREIT Developed Net Total Return Index (100% hedged into Australian dollars)
- Australian Shares: S&P/ASX 300 Accumulation Index
- Investment Grade Bonds: 50% Barclays Global Aggregate ex-CNY Index (hedged into Australian dollars) and 50% Bloomberg AusBond Composite 0+ Yr Index
- Defensive Alternatives: Bloomberg AusBond Bank Bill Index + 1.75%
- Cash: Bloomberg AusBond Bank Bill Index
- Unlisted Property, Private Equity and Infrastructure: customised benchmarks that reflect GESB's investment strategy for these asset classes
- Medium Risk Alternatives: Bloomberg AusBond Bank Bill Index + 3.75%

For the Sustainable Balanced plan, the composite index is reported by the underlying investment manager Pendal and is based on market indices determined by Pendal for each asset class in proportion to the underlying investment's Strategic Asset Allocation.

13 The Growth/Defensive split is the target allocation mix of Growth and Defensive assets. Some asset classes may be classified as part Growth and Defensive.

Notes and footnotes for 'Mix Your plan' table on pages 20-21

Notes for Mix Your plans:

a. The performance of your investment plan is not guaranteed and returns may move up or down depending on factors such as investment market conditions. All returns are reported net of investment fees and costs and applicable taxes for GESB Super and are reported net of investment fees and costs for West State Super, and based on transactional prices. The investment fees and costs include all of the investment costs and any additional underlying costs relating to your investment. Past performance should not be relied on as an indication of future performance. Changes in investment strategy, such as the appointment of the new external investment managers, may impact on future performance.

b. All Mix Your plan strategies may contain a small strategic allocation to Cash for liquidity purposes.

c. Any returns greater than 1 year are annualised.

Footnotes for Mix Your plans:

14 The investment return objective is the investment return all Mix Your plans will seek to achieve after investment fees and taxes for GESB Super Mix Your plans, and after investment fees only for West State Super Readymade plans and all Cash plans.

15 Based on the Standard Risk Measure.

16 Partially hedged into Australian dollars.

17 100% hedged into Australian dollars. Note the Mix Your plan Property option generally only invests in listed Property investments.

18 The Growth/Defensive split is the target allocation mix of Growth and Defensive assets. Mix Your plan Fixed Interest invests in Investment Grade Bonds.

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