



# Pursuit Core investment strategies

Personal Superannuation · Allocated Pension · Term Allocated Pension

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## Your investment strategy

This fact sheet is designed to provide you with information about the range of available investment strategies that you can select.

Making the right investment choice is an important part of developing a plan to help you achieve your retirement and investment goals. This requires careful consideration of a number of factors including your retirement needs/financial goals, your investment risk and return profile and your overall financial position. We recommend that you discuss your investment strategy with a financial adviser.

### You choose what's right for you

As your individual circumstances change over time, your investment strategy may also need to change to accommodate any new goals or objectives.

The investment strategy that best suits your needs will depend on a number of personal factors such as your attitude towards investment risk and return, investment timeframe and income needs.

## What investment options can I choose?

The range of investment options available includes term deposits, diversified managed funds that invest across a range of different asset classes (e.g. Balanced funds) and specific asset class or sector managed funds (e.g. Australian shares).

You may choose from a range of investment options within the following sections.

Section	Overview of objectives
Easy Choice	Offers you access to a spread of different asset classes designed to meet particular investment objectives. IOOF multi-manager Diversified and Sectoral Trusts simplify the investment selection process by combining the 'best of the best' manager blends to suit your investment objectives.
Investor Choice	This is where you and your financial adviser can tailor the investments to suit your investment strategy. Investor Choice allows you to select from a range of managed funds and term deposits.

The list of investment options is set out in [Pursuit fact sheet 202: Pursuit Core investment options menu](#). The process undertaken by the Trustee in establishing the investment menu is explained in the PDS.

## Investment limits

To maintain liquidity and diversification in your account, the Trustee has set limits on the amount of your account balance which can be allocated to particular investment options. The limits are set out in the table overleaf and are only assessed at the time an investment is made.

The Trustee will not monitor these limits on an ongoing basis and will generally not sell down investment options if these limits are exceeded, other than where necessary to maintain liquidity in your account or for any other reason where the Trustee determines the sale to be in your best interests or the best interests of the Fund as a whole.

Investment limits (Cont.)

Investment option	Not more than...
Restricted investments	30% of your account balance in each investment option or in each investment category, with not more than 70% of your account balance invested in restricted investments.
Term deposits	80% of your account balance.

## About investment

### Your investment risk and return profile

Your investment risk and return profile will affect your investment strategy. Generally, the higher the level of risk you are prepared to accept, the higher the potential return you can expect from the investment. For example, investing in shares may provide the highest potential return over the longer term, but may also have the highest risk of capital loss in the short term. Cash tends to have a small chance of capital loss, but its investment returns may be lower.

### Diversification

Diversification is a common investment technique used to manage investment risk. You can diversify investments within an asset class, diversify investments across different asset classes or diversify investments across different investment managers.

A financial adviser can help you understand the relationship between risk and return and the possible advantages of diversification.

## IOOF multi-manager Trusts

IOOF recognises the importance and expertise required in managing investments through all investment cycles and believes a multi-manager approach provides investors with an expertly managed portfolio incorporating the latest in investment, strategic and economic information.

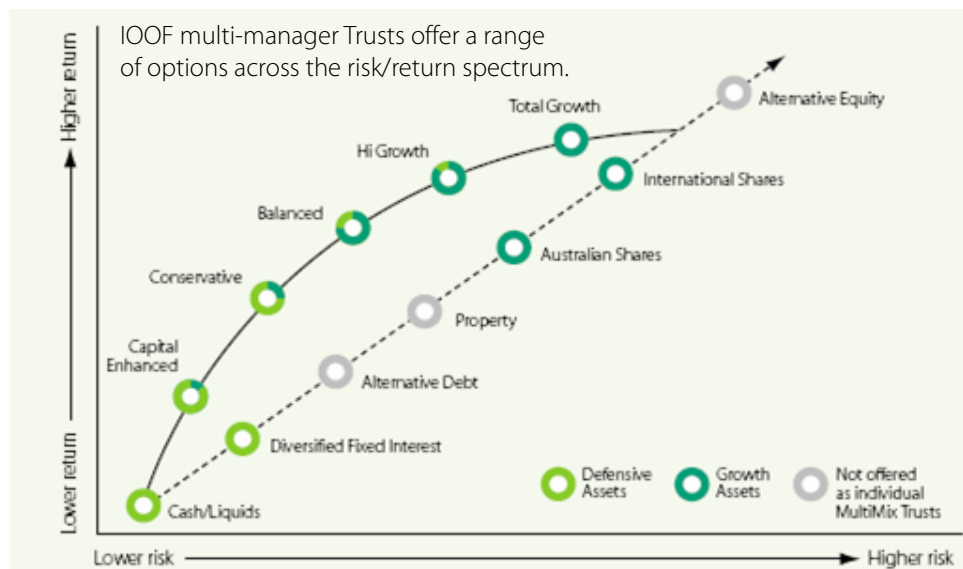
Our multi-manager Trusts simplify the investment selection process by accessing a team of investment professionals who are dedicated to identifying, blending and managing specialist investment managers to improve returns for investors.

### Managing risk through diversification

IOOF multi-manager Trusts aim to maximise returns for a given level of risk and take diversification that extra step by:

- Investing in **multiple asset sectors**, e.g. international and Australian shares, property, alternative strategies, fixed interest securities and cash;
- Investing the assets of each portfolio with **multiple investment managers** which have been carefully selected; and
- Blending **multiple investment styles** within a single fund.

### Understanding risk versus return



IOOF multi-manager Trusts  
(Cont.)

**Labour standards, environmental, social and ethical considerations**

Different investment managers have different policies regarding the extent to which they take into account labour standards, environmental, social or ethical considerations. Information regarding these policies will be disclosed in the product disclosure statement of the managed fund.

As Trustee of the *Fund*, we do not currently take into account labour standards, environmental, social or ethical considerations when selecting investment managers or selecting, retaining or removing managed funds from the list of available investments.

**Easy Choice**

**IOOF diversified multi-manager investment categories**

	Conservative	Balanced	Growth
<b>Investment objective</b>	To provide consistent returns over the medium to long term through high exposure to defensive assets.	To provide moderate growth over the medium to long term through a balanced exposure to growth and defensive assets.	To provide moderate to high growth over the long term through high exposure to growth assets.
<b>Investment strategy</b>	To invest predominantly in defensive assets such as fixed interest and cash investments. Some capital growth is provided through a small exposure to growth assets such as shares and property.	To invest in a diversified portfolio providing a balanced exposure to the major asset classes such as cash, fixed interest securities, shares and property.	To invest predominantly in a diversified range of Australian and international shares and property with a small exposure to income producing investments.
<b>Factors influencing investment returns</b>	Volatility in interest rates may cause the value of the fixed interest investments to fluctuate.	Returns in the short term may be somewhat volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.	Returns in the short term may be volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.
<b>Asset allocation ranges*</b>	Growth assets: 0% - 40% Defensive assets: 60% - 100%	Growth assets: 40% - 70% Defensive assets: 30% - 60%	Growth assets: 70% - 100% Defensive assets: 0% - 30%
<b>Risk</b>	Low to medium	Medium to high	High
<b>Return</b>	Low to medium	Medium to high	High
<b>Typical investment timeframe</b>	2 to 3 years	5 to 7 years	7 years or more
<b>Typical investor</b>	Investors seeking a conservative portfolio with some exposure to growth assets.	Investors seeking a balanced exposure to growth and defensive assets and who are prepared to tolerate short term volatility.	Investors seeking superior long term returns and who are prepared to tolerate short term volatility.

\* Growth assets include more volatile and higher risk assets that are expected to have higher growth potential over the longer term such as Australian and international shares and listed property trusts. Defensive assets include assets that are expected to have lower returns and lower volatility as they tend to have less risk such as cash, corporate bonds and other Australian and international fixed interest investments.

## Easy Choice

### IOOF sectoral multi-manager investment categories

	Cash	Fixed Interest	Australian Shares	Global Shares
Investment objective	To provide a high degree of security and stability, while delivering returns that are consistent with the prevailing market cash rates.	To provide a return that is higher than the available cash rates through holdings of a diversified portfolio of fixed interest, mortgage and enhanced yield securities.	To produce high returns over the long term.	To produce high returns over the long term.
Investment strategy	To invest in a range of short term interest-bearing securities including bank bills, bank deposits, Government, corporate and mortgage-backed securities by combining different investment managers, and styles within a single asset class.	To invest in either Australian and/or international Government, semi-Government, and corporate fixed interest securities as well as inflation-linked bonds, mortgage securities and money market assets by combining different investment managers, and styles within a single asset class.	To invest predominantly in listed Australian shares in a variety of market sectors by combining different investment managers, and styles within a single asset class.	To invest predominantly in shares listed on stock exchanges in a range of countries by combining different investment managers, and styles within a single asset class.
Factors influencing investment returns	Movements in short term interest rates will affect investment returns.	The value of fixed interest investments is linked to the market, and therefore they may lose value in periods where interest rates rise and correspondingly gain value in times of decreasing interest rates. Currency movements may also have an impact on international fixed interest returns.	Returns are affected by movements in the share market and may be volatile in the short term. Returns may also be affected by the level of gearing and whether any short-selling strategies are employed by the investment manager.	Returns in the short term may be volatile and will be affected by movements in global share markets as well as movements in foreign currencies.
Risk	Very low	Low to medium	High	High
Return	Very low	Low to medium	High	High
Typical investment timeframe	1 year	3 to 5 years	5 to 7 years	5 to 7 years
Typical investor	Investors seeking absolute security of capital.	Investors seeking returns higher than that available from cash.	Investors seeking long term investments who are prepared to accept short term fluctuation in returns.	Investors seeking long term investments who are prepared to accept short term fluctuation in returns.

## Investor Choice

### Investment categories

	Cash	Australian Fixed Interest	Global Fixed Interest	Australian Shares
Investment objective	To provide a high degree of security and stability, while delivering returns that are consistent with the prevailing market cash rates.	To provide a return that is higher than the available cash rates through holdings of a diversified portfolio of Australian fixed interest and mortgage securities.	To provide exposure to global fixed interest securities and provide higher than available cash rates through holdings of diversified fixed interest and enhanced yield securities.	To produce high returns over the long term.
Investment strategy	To invest in a range of short term interest-bearing securities including bank bills, bank deposits, Government, corporate and mortgage-backed securities.	To invest in either Australian Government, semi-Government, and corporate fixed interest securities as well as inflation-linked bonds, mortgage securities, high yielding securities and money market assets.	To invest in either Foreign Government, semi-Government, and corporate fixed interest securities as well as inflation-linked bonds, mortgage securities, high yielding securities and money market assets.	To invest predominantly in listed Australian shares in a variety of market sectors.
Factors influencing investment returns	Movements in short term interest rates will affect investment returns.	The value of fixed interest investments is linked to the market, and therefore they may lose value in periods where interest rates rise and correspondingly gain value in times of decreasing interest rates.  Other factors such as liquidity and credit risk play a part in the value of fixed interest securities.	The value of investments in this category may lose value in periods where interest rates rise and correspondingly gain value in times of decreasing interest rates.  In addition, the credit quality of the securities and liquidity of the market is also an important factor in influencing investment returns.  Currency movements may also have an impact on international securities returns.	Returns are affected by movements in the share market and may be volatile in the short term. Returns may also be affected by the level of gearing and whether any short-selling strategies are employed by the investment manager.
Sub-category	<ul style="list-style-type: none"> <li>· Cash Management</li> <li>· Term Deposits</li> <li>· Cash Enhanced</li> </ul>	<ul style="list-style-type: none"> <li>· Mortgages</li> <li>· Bonds</li> <li>· Enhanced Yields</li> </ul>	<ul style="list-style-type: none"> <li>· Diversified</li> <li>· Enhanced Yields</li> </ul>	<ul style="list-style-type: none"> <li>· Large Companies</li> <li>· Small Companies</li> <li>· Specialist</li> </ul>
Risk	Very low	Low to medium	Low to medium	High
Return	Very low	Low to medium	Low to medium	High
Typical investment timeframe	1 year	3 to 5 years	3 to 5 years	5 to 7 years
Typical investor	Investors seeking absolute security of capital.	Investors seeking returns higher than that available from cash.	Investors seeking returns higher than that available from cash.	Investors seeking long term investments who are prepared to accept short term fluctuation in returns.

## Investor Choice

### Investment categories (Cont.)

	Global Shares	Property	Infrastructure	Commodities
Investment objective	To produce high returns over the long term.	To provide a combination of income and growth over the long term.	To produce a balance of income and medium to long term capital growth.	To gain exposure to commodity related returns and diversification of portfolio risk. Over the long term, returns tend to be higher than bonds and close to stock returns.
Investment strategy	To invest predominantly in shares listed on stock exchanges in a range of countries.	To invest predominantly in property investments and listed property trusts within Australian and international property markets.	To invest in Australian and overseas infrastructure securities.	To invest in commodity-linked derivatives, commodity exposed industries and funds benchmarked to commodity indices.
Factors influencing investment returns	Returns in the short term may be volatile and will be affected by movements in global share markets as well as movements in foreign currencies.	Returns will be affected by movements in property values and in the case of listed property trusts, by movements in the share market. Movements in both short and long term interest rates will also affect investment returns.  Currency movements may also have an impact on international property returns.	Factors which will influence returns from infrastructure investments include risks in development, construction and under-usage of assets.  Also, the level of gearing an infrastructure trust will take on will influence returns. More gearing, the greater the potential return for a greater risk.	Commodity returns move in line with the world economic cycle. In times of economic growth, demand for commodities is generally stronger, and the reverse is true. Being real assets, commodity prices and returns are linked to inflation, and rise when inflation rises. Commodities can serve as a hedge against inflation.
Sub-category	<ul style="list-style-type: none"> <li>· Large Companies (Hedged)</li> <li>· Large Companies (Unhedged/Active Hedged)</li> <li>· Small Companies</li> <li>· Regional</li> <li>· Specialist</li> </ul>	<ul style="list-style-type: none"> <li>· Australian Property (Listed)</li> <li>· Australian Property (Hybrid/Direct)</li> <li>· Global Property (Listed)</li> <li>· Global Property (Hybrid/Direct)</li> </ul>	<ul style="list-style-type: none"> <li>· Australian Infrastructure (Listed)</li> <li>· Global Infrastructure (Hybrid/Direct)</li> </ul>	
Risk	High	Medium	Medium to High	High
Return	High	Medium	Medium to High	High
Typical investment timeframe	5 to 7 years	5 to 7 years	5 to 7 years	5 to 7 years
Typical investor	Investors seeking long term investments who are prepared to accept short term fluctuation in returns.	Investors seeking mostly income returns and some growth to increase the value of their investment in the long term.	Investors seeking inflation hedging and diversification of returns in their portfolios.	Investors seeking inflation hedging and diversification of returns in their portfolios.

## Investor Choice

### Investment categories (Cont.)

	Alternative Investments	Diversified - Conservative	Diversified - Balanced	Diversified - Growth
Investment objective	To provide diversification benefits to clients portfolios by exposure to investment strategies that are not linked with the returns of traditional asset classes over the medium to long term. Alternative investments generally aim to provide a return above the prevailing cash rate.	To provide consistent returns over the medium to long term through high exposure to defensive assets.	To provide moderate growth over the medium to long term through a balanced exposure to growth and defensive assets.	To provide moderate to high growth over the long term through high exposure to growth assets.
Investment strategy	Alternative Investments can range from hedge funds, private equity, managed futures and exchange funds to fixed income alternatives and special co-investment opportunities. The role of alternative investments is to provide returns that are less influenced by fluctuations in the market and other traditional asset classes.	To invest predominantly in defensive assets such as fixed interest and cash investments. Some capital growth is provided through a small exposure to growth assets such as shares and property.	To invest in a diversified portfolio providing a balanced exposure to the major asset classes such as cash, fixed interest securities, shares and property.	To invest predominantly in a diversified range of Australian and international shares and property with a small exposure to income producing investments.
Factors influencing investment returns	Alternative Investments take on a broad range of investment strategies. Hedge funds include significant liquidity risk where there is no secondary market for such investments.	Volatility in interest rates may cause the value of the fixed interest investments to fluctuate.	Returns in the short term may be somewhat volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.	Returns in the short term may be volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.
Asset allocation ranges	N/A	Growth assets: 0% - 40% Defensive assets: 60% - 100%	Growth assets: 40% - 70% Defensive assets: 30% - 60%	Growth assets: 70% - 100% Defensive assets: 0% - 30%
Risk	High	Low to medium	Medium to high	High
Return	High	Low to medium	Medium to high	High
Typical investment timeframe	5 to 7 years	2 to 3 years	5 to 7 years	7 years or more
Typical investor	Investors seeking diversification to their portfolios and returns that are not significantly linked to traditional asset classes in the medium to long term.	Investors seeking a conservative portfolio with some exposure to growth assets.	Investors seeking a balanced exposure to growth and defensive assets and who are prepared to tolerate short term volatility.	Investors seeking superior long term returns and who are prepared to tolerate short term volatility.

## Notes

Any reference to investment returns includes a reference to both income and capital returns. The indicative investment strategy, objectives and benchmarks may vary across the different managed funds from time to time. This includes variances in the actual asset allocation for each managed fund as compared to the target strategy benchmarks. To obtain more information on the investment strategy and benchmarks for each managed fund, please refer to the product disclosure statement for the particular managed fund.

## Important information

All fees and buy/sell spreads appearing in [Pursuit fact sheet 202: Pursuit Core investment options menu](#) are sourced by IOOF from the investment managers or responsible entities. IOOF believes these figures to be correct and up to date as at the time of publication, but we accept no responsibility if any figures published by IOOF (excluding the IOOF MultiMix Trusts) are not the same as those actually charged by the investment managers.

Before selecting an investment option, you should read the current Pursuit Core PDS and the relevant fact sheet, including [Pursuit fact sheet 202](#), and talk to your financial adviser. For each investment option you select, you should read the relevant product disclosure statement or product guide, provided by your adviser or available from our web site. These documents include information about performance, asset allocation, costs and the risks associated with investing in a particular investment option.

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### General advice warning

The information contained in this fact sheet:

- does not and is not intended to contain any recommendations, statements of opinion or advice; and
- is of a general nature only and does not take into account your individual objectives, financial situation or needs.

You should consider the appropriateness of this information having regard to your objectives, financial situation and needs and you may want to seek advice before deciding whether to acquire this product.

### Important notice

Pursuit Core Personal Superannuation, Pursuit Core Allocated Pension and Pursuit Core Term Allocated Pension are issued by IOOF as Trustee of the IOOF Portfolio Service Superannuation Fund (ABN 70 815 369 818). A Product Disclosure Statement for the Pursuit range of products (except for the Pursuit Core Term Allocated Pension) is available from our web site ([www.ioof.com.au](http://www.ioof.com.au)) or by calling us on **1800 062 963**. You should consider the Product Disclosure Statement for the relevant Pursuit product before making an investment decision.