

Balanced Option fact sheet

30 September 2017

Investment objective

To achieve a return of CPI plus 1.5% per annum over rolling five-year periods after fees and taxes.

Investment strategy

To invest 50% in a diversified portfolio of assets expected to generate long-term capital growth such as shares, property and infrastructure. 50% of the portfolio is allocated to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. The portfolio aims to hedge currency risk, except for part of the allocation to global shares.

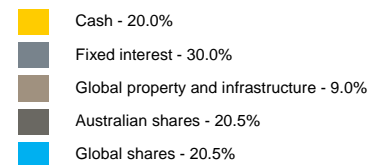
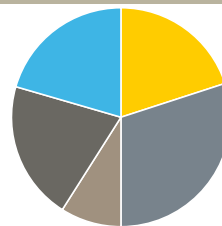
Minimum suggested timeframe

At least At least 4 years

Risk rating

Band 4 - Medium. For more information about risk, refer to the reference guide.

What am I invested in?



Performance

	3 month (%)	6 month (%)	1 year (%)	3 years (%)	5 years (%)	10 years (%)	Since inception	Inception date	Fund size
Net return	0.81%	1.59%	5.01%	5.49%	-	-	6.25%	31/05/2013	\$44.72m
Benchmark [^]	0.98%	1.54%	3.31%	3.04%	-	-	3.40%		

[^]CPI + 1.5% per annum

All returns are calculated on an annualised basis using exit price to exit price, net of administration and investment fees, costs and net of tax payable by the trustee. All return calculations exclude contribution surcharge, contribution tax or individual taxes payable by the investor and all other fees and rebates disclosed in the relevant product disclosure statements available on our website or by calling us. Please refer to the Product Disclosure Statement (PDS) for full details of the applicable fees and costs.

Past performance is not an indicator of future performance for this option or any other option available from Essential Super.

The investment information in this option profile is historical, produced as at the date specified above. We may change asset allocation and securities within the option at any time.

Balanced option – market review

The Balanced portfolio produced a positive return over the 12 months to 30 September 2017, with all sectors, except domestic and global fixed interest, contributing to the performance of the portfolio. The portfolio's investment objective is to achieve a return after fees and taxes of Consumer Price Index (CPI) plus 1.5% per annum over rolling five-year periods. While the portfolio has some time to go before reaching its first five years, it has achieved well above this objective in the four years to 30 September 2017.

At 30 September 2017 the Balanced portfolio had a 50% allocation to growth assets, such as shares, property and infrastructure. For the 12 months to 30 September 2017, both hedged and unhedged global shares, and global infrastructure were strong performers and each returned over 10%.

The remaining 50% of the Balanced portfolio was invested in defensive assets, such as fixed interest and cash. Despite low interest rates, the portfolio's allocation to cash contributed to the performance of the portfolio however the allocation to domestic and global fixed interest detracted from the overall portfolio performance.