

Australian Shares Option fact sheet

31 December 2016

Investment objective

To closely track the S&P/ASX 200 Accumulation Index with the aim of generating returns (before tax and fees and assuming income is reinvested) comparable to the Australian sharemarket as measured by that benchmark over rolling one-year periods.

Investment strategy

The option invests in shares of Australian companies. All shares in this option are maintained within a very close margin to their weight in the S&P/ASX 200 Accumulation Index.

Minimum suggested timeframe

At least 7 years

Investment ranges

Australian shares 95-100%

Risk rating

Band 6 - High. For more information about risk, refer to the Reference guide.

Performance

	3 month (%)	6 month (%)	1 year (%)	3 years (%)	5 years (%)	10 years (%)	Since inception	Inception date	Fund size	Management costs*
Net return	5.38%	9.97%	11.05%	6.51%	-	-	8.33%	31/05/2013	\$34.91m	0.80%
Benchmark [^]	5.18%	10.59%	11.80%	6.59%	-	-	8.69%			

[^]S&P / ASX 200 Accumulation Index

All returns are calculated on an annualised basis using exit price to exit price with distributions reinvested, net of administration and investment fees, transaction costs and for Essential Super net of tax payable by the trustee. All return calculations exclude contribution surcharge, excess 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.* Administration fees relate to the costs incurred for the administration and operation of the fund (which includes the trustee fee). Investment fees relate to the costs incurred in investing fund assets (including estimated performance fees (if applicable)) Total administration and investment fees do not include contribution fees, transaction costs or adviser or plan service fees which may also apply. Please refer to the 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.

Market review

Australian shares rose in the fourth quarter of 2016, continuing the strong gains made the previous quarter. The S&P/ASX 200 Accumulation Index rose 5.2% in the December quarter, resulting in a strong gain for the year to 31 December 2016 of 11.8%.

The Australian dollar's value fell over the quarter (from US\$0.77 to US\$0.72) and was flat over the year. The RBA maintained the official cash rate at 1.5% in the December quarter.

Strong performance in the Financials sector helped drive the Australian equity market higher. Resources, Materials, Energy and Utilities outperformed the broader market. The Healthcare, Telecommunications, A-REITs and Consumer Discretionary sectors all produced a negative return over the quarter.

The portfolio is passively managed and holdings closely replicate those of the benchmark. Returns of the portfolio are, therefore, expected to closely resemble those of the benchmark index before fees and taxes.