

Important notice about APSS investment strategy adjustments

Before you read on, please note that this notice has no financial impact on your APSS defined benefit (if you are entitled to one), or to the Cash Return Member Savings investment option.

On 2 December 2016, the APSS Trustee decided to adjust the investment strategy of the **Market Return Member Savings** investment option, reducing 'growth' assets and increasing 'income' assets by 10%.

Growth assets such as shares are typically higher risk, with potential to deliver higher investment returns in the long term. Income assets like bonds and cash are typically lower-risk/lower-return investments that don't go up and down in value so much. The adjustment, being made to reduce investment risk, is summarised in the following table, comparing the investment strategy before and from 2 December:

ASSET TYPE	TARGET		RANGE	
	Pre 2/12/16	From 2/12/16	Pre 2/12/16	From 2/12/16
Public Market Shares	50%	40%	30 - 70%	20 - 60%
Private Market Assets	30%	No change	20 - 60%	No change
Other Growth Assets	0%	No change	0 - 25%	0 - 20%
TOTAL GROWTH ASSETS	80%	70%	50 - 90%	60 -80%
Bonds	20%	No change	10 - 30%	No change
Cash	0%	10%	0 - 10%	0 - 20%
TOTAL INCOME ASSETS	20%	30%	10 - 50%	20 - 40%

The Trustee believes the adjustment is prudent and in the best interests of members with Market Return Member Savings because it better balances risks against returns. The full adjustment won't be in place until mid-2017 with a series of smaller adjustments made progressively over the coming months.

Also on 2 December 2016, the Trustee authorised the removal (by the end of 2016) of any direct APSS investments in the shares of companies that produce tobacco products, and the exclusion of such investments in future. This decision does not apply to APSS investments in pooled funds managed by third parties. It is considered very unlikely that this decision will materially impact APSS crediting rate returns.

If you have any questions or require further information, please call *SuperPhone* on **1300 360 373** Monday to Friday 9am to 5pm (AEDT). If you want to change your own investment strategy, download a *Change your investment choice* form under 'Publications & Forms' at www.apss.com.au or select 'login' to do it online.



Yours sincerely
 APSS Member Services

The Trustee of the
Australia Post Superannuation Scheme
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 APSS Registration Number R1056549