

October 2021

Australia Post Superannuation Scheme

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## NOTIFICATION OF CHANGES TO STRATEGIC ASSET ALLOCATION

Whenever there is an important change to information contained in your APSS Product Disclosure Statement (PDS), by law, the APSS must send you a 'Significant Event Notice' (SEN). Certain changes must be notified to members at least 30 days before the change, while others may be notified up to 12 months after the change. This SEN falls into the second category, as the changes have been in place from 10 September 2021.

### What are the investment changes?

Following a recent review of the APSS's investment strategy, the Trustee has decided to gradually reduce exposure to less liquid assets within the private equity and alternative credit asset classes. As a result, the Trustee has made a number of adjustments to the long-term allocation of assets (called the 'Strategic Asset Allocation' or SAA) for the portfolios of the APSS **High Growth**, **Balanced** and **Conservative** investment options. Those changes are summarised in the tables over the page and have involved a reduction in the SAA to private equity and alternative credit, an increase in the SAA to public market shares and real assets, and, in some cases, increases to the ranges for public market shares and real assets.

In making its decision, the Trustee considered the changes to be prudent given the outlook across investment markets and the available investment opportunities in private equity and alternative credit, taking into account the possibility of a fund merger in 2022, which the Trustee is currently exploring with Sunsuper.

With a corresponding increase to the target allocations to public market equity and real assets, the Trustee considers the risk and return characteristics across the APSS investment portfolios to be commensurate with their respective investment objectives.

The Trustee believes the adjustments are in the best interests of members invested in the relevant APSS investment options.

### What has not changed

There are no other changes to the SAAs or the target ranges across the APSS investment options. The APSS **Cash** investment option is not impacted by these changes and remains invested 100% in cash (and cash equivalents).

## CONSERVATIVE

Asset Class	Previous Pre 10 September 2021		Current From 10 September – Current	
	SAA	Range	SAA	Range
Public market shares	20%	10% - 30%	▲ 22%	▲ 10% - 35%
Private equity	6%	0% - 20%	▼ 5%	0% - 20%
Real assets	5%	0% - 10%	▲ 6%	0% - 10%
Alternative credit	4%	0% - 8%	▼ 2%	0% - 8%
Bonds	55%	45% - 65%	55%	45% - 65%
Cash	10%	0% - 20%	10%	0% - 20%

## BALANCED

Asset Class	Previous Pre 10 September 2021		Current From 10 September – Current	
	SAA	Range	SAA	Range
Public market shares	40%	30% - 50%	▲ 45%	▲ 30% - 60%
Private equity	12%	0% - 40%	▼ 9%	0% - 40%
Real assets	15%	0% - 25%	▲ 17%	▲ 0% - 40%
Alternative credit	8%	0% - 15%	▼ 4%	0% - 15%
Bonds	20%	10% - 30%	20%	10% - 30%
Cash	5%	0% - 20%	5%	0% - 20%

## HIGH GROWTH

Asset Class	Previous Pre 10 September 2021		Current From 10 September – Current	
	SAA	Range	SAA	Range
Public market shares	60%	40% - 70%	▲ 65%	▲ 40% - 80%
Private equity	12%	0% - 40%	▼ 9%	0% - 40%
Real assets	15%	0% - 25%	▲ 17%	▲ 0% - 40%
Alternative credit	8%	0% - 15%	▼ 4%	0% - 15%
Bonds	0%	0% - 10%	0%	0% - 10%
Cash	5%	0% - 20%	5%	0% - 20%

## Do you have any questions?

If you have questions about this letter, just email [sr@apss.com.au](mailto:sr@apss.com.au) or phone **1300 360 373**.

Yours sincerely



**APSS Member Services**

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