

Your  
Annual  
Report  
2023

This Russell Investments Master Trust Annual Report, as at 30 June 2023, includes updates and performances for:

- iQ Super™, Resource Super, Nationwide Super;
- iQ Retirement™; and
- Term Allocated Pension.

The 2023 Annual Report is comprised of:

1. This document; and
2. The insert Your Super Plan (for iQ Super – Employer members only) available to view in your online member account which you can access at [russellinvestments.com.au/login](https://russellinvestments.com.au/login).

## Recent industry recognition

We believe our products, services and approach to investing are among the best. But don't just take our word for it—our investment quality and innovation efforts have been recognised and validated by leading industry researchers and global publications.

### 2005 – 2023

In 2023, iQ Super – Employer and For Life were again awarded '5 Apples' by Chant West.<sup>1</sup>



### 2007 – 2023

iQ Retirement<sup>2</sup> has been awarded Chant West's highest rating of '5 Apples' every year since its inception.<sup>1</sup>



### 2023

iQ Super – Employer and For Life have been awarded 5 Heron Quality Stars in the Heron Quality Star Ratings 2023/24.<sup>1</sup>



### 2023

iQ Super - Employer has been ranked as a Top Ten Corporate Product for its Insurance Features in the Heron Quality Star Ratings 2023/24.<sup>1</sup>



### 2023

iQ Super – Employer and For Life have been awarded 5 Quality Stars for the MySuper Investment Option in the Heron MySuper Star Ratings 2023/24.<sup>1</sup>



### 2020

Money Management and Super Review, together with their research partner Heron Partnership, named GoalTracker the winner of the Best Member Engagement Innovation at the Super Fund of the Year Awards 2020.



<sup>1</sup> Refer to the disclosure on page 42 for more information.

<sup>2</sup> Prior to 2015, this product was known as Russell Private Active Pension.

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## What's inside

|                             |    |
|-----------------------------|----|
| Chairman's message          | 4  |
| Investment market update    | 6  |
| Your investment portfolios  | 10 |
| Investment returns          | 24 |
| Trustee information         | 31 |
| Other important information | 34 |
| Financials                  | 39 |

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# Chairman's message

## Welcome to the Russell Investments Master Trust 2022/23 Annual Report.

I'm pleased to introduce this Annual Report with some good news – with the GoalTracker Investment Option, the default investment option for members in the Russell Investments Master Trust, delivering outstanding returns of up to 13.5% for the 2022-23 financial year. The results put GoalTracker among the top MySuper performers across all funds and comparable options over the same period<sup>3</sup>.

These outstanding returns are all the more important in light of the overall negative returns that impacted the super industry in the 2021-22 financial year.

With high inflation and rising interest rates causing ongoing market volatility over the 2022-23 year, the strong investment returns achieved highlight the strength of Russell Investments' investment capabilities.

While we're always encouraging you to take small actions today to grow your super for the future, we know that strong investment returns are also key to growing your hard-earned super savings. And we're very pleased to have delivered this to you.

The best thing about such outstanding returns is that they are a timely reminder of the ups and downs of investment markets. Chant West calls it "a reward for fund members who have remained patient and maintained a long-term focus."<sup>4</sup> While it's great to enjoy strong returns in a single year, it's more important to consider the long-term performance of your super investments. It's what will have a greater impact on how you're tracking against your own long-term goal—specifically your income goal for life after work.

As Trustee of the Russell Investments Master Trust (the Fund), myself and the other Directors on your Board are here to look after your best interests and provide each of you with the best chance for a great life after work. One of our key roles is to provide you with support and services to help you better engage with your super savings and make the decisions that are right for your personal goals and circumstances.

### What's important to our members

Listening and responding to members' feedback helps focus our attention on the things that remain important to you, and there's a recurring theme in that feedback. The three main areas of interest to our members are:

- Investment returns
- Fees for the services offered
- Improving our services and support

#### *Investment returns*

As I touched on earlier, 2022/23 saw much stronger performance when it came to investment returns.

Returns for the year to 30 June 2023 on the default GoalTracker investment option varied depending on your age, but were between 9.9% and 13.5%. And since its inception in March 2020, GoalTracker has delivered annualised returns ranging between 8% and 11% p.a.<sup>5</sup>.

For members in the GoalTracker investment option, your personal returns were detailed in your Annual Benefit Statement. The Investment market update and Your investment portfolios reports detail our investment performance in other investment options for the 2022/23 financial year and highlight some of the market forces expected to impact next year's results.

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3 Source: Top quartile performance vs. MySuper Lifecycle Funds ChantWest Universe for 1 and 3 years to June 30 2023

4 Media release: Resilient share markets propel super funds to a strong 9.2% return, 19 July 2023, Chant West.

5 Performance for periods longer than 1 year are annualised. The inception date reflects the first day of investment into the option.

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Over the last 10, 20 and 30 years, super returns have been strongly positive and have kept super balances growing. Past experience shows that markets recover and over the long-term, an appropriate investment strategy coupled with regular contributions to super, will help to safeguard your financial position and allow you to build a super balance that can help support the lifestyle you're aiming for in retirement.

### ***Fees***

There are significant costs involved in operating a superannuation fund, and these costs are shared by all members. We acknowledge our standard fees are unlikely to ever be the lowest in the market as we aim to deliver value for money through our highly-rated benefits and member services.

Nevertheless, our fees must remain competitive, and we are working to deliver yet another significant reduction in our standard percentage-based administration fee from 1 October 2023.

Given fees do vary for the different divisions and employer plans within the Master Trust, to understand the fees and costs you actually pay, you will need to refer to your Annual Benefit Statement, distributed around September each year. The fees applying to you are also detailed in the current Product Disclosure Statement and Guides available through either your online account or the Super Tracker App.

### ***Member services and support***

The final area we receive a lot of feedback on is having simple and reliable access to super-related information.

During the year we delivered a bi-monthly edition of the Zest! eNewsletter that you can tailor to receive articles of most interest or relevance to you. Zest! provides regular news, tips and expert analysis to help you get the most from your retirement savings and life after work.

We have also delivered a series of online webinars, with recordings available on the website, on topics such as Transition to Retirement, Using GoalTracker, and the popular Retirement MasterClass.

You also have access to a growing range of information and personalised advice options, often at no additional cost. Our advice offering includes access to free one-on-one guidance at a 'Retire Ready' meeting with our retirement consultant, or over-the-phone support to complete a 'Super Healthcheck'.

### **Looking ahead**

We'll continue to work throughout the coming year to earn the best possible investment returns for you (whilst appropriately managing risks) and to improve your experience with us. We want to make it easier than ever for you to grow and manage your super to achieve a great life after work.



**Jim O'Connor**  
Chairman  
Total Risk Management Pty Ltd

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# Investment market update

## For the year to 30 June 2023

- Global shares
- Australian shares
- Real estate investment trusts
- Bonds and cash
- Australian dollar
- Where to from here?

### Global shares

Global share markets made strong gains over the past 12 months, returning 18.3%<sup>6</sup> in local currency terms. In unhedged Australian dollar (AUD) terms, stocks returned 22.6%<sup>7</sup>.

Share markets began the year on the back foot, falling in the September quarter amid further, aggressive central bank activity globally and growing recession fears. In the US, the Federal Reserve (Fed) raised its benchmark fed funds rate by 0.75% at its July and September meetings as officials continued to battle elevated inflation. Speaking at the Fed's press conference following its September rate hike, chairman Jerome Powell reaffirmed his Bank's determination to rein in inflation and made clear that interest rates would continue to rise until price stability was restored; even if it meant tipping the world's largest economy into recession. Elsewhere, rising consumer prices in Europe saw the European Central Bank (ECB) deliver its first rate hike in 11 years in July; the Bank lifting its main refinancing rate by 0.50%. The ECB followed this up with another, unprecedented 0.75% increase in early September. Meanwhile, the Bank of England (BoE) raised rates in August and September and warned of steeper rate hikes ahead after UK inflation hit double figures in July. Stocks were also impacted early in the period by ongoing geopolitical uncertainty and disappointing Chinese growth.

Stocks rebounded in the final quarter of 2022. Much of the gains came in October and November, driven by expectations the world's major central banks would soon pivot to smaller rate hikes amid increasing evidence inflation may have peaked. In the US, the Fed raised rates a further 0.75% in early November after headline inflation climbed 8.2% in the 12 months to 30 September. However, subsequent data showed headline inflation slowed to 7.7% in October, sending stocks soaring as investors bet that the Fed would shift to a less aggressive monetary policy stance. The next round of inflation figures, released ahead of the Fed's December meeting, revealed a further easing in prices, with headline inflation slowing to 7.1% in November. The outcome all but guaranteed a smaller rate hike at the Bank's final meeting of the year, which it duly delivered; the Fed electing to lift rates by 0.50% and ending a run of four straight 0.75% increases. We saw a similar theme in Europe and the UK, where high inflation forced the ECB and the BoE to aggressively raise interest rates through October and November before pulling back (to 0.50% increments) in December amid signs inflationary pressures were beginning to ease. However, like the Fed, both central banks warned that interest rates would need to rise further in order to bring inflation under control. Elsewhere, the Bank of Japan (BoJ) surprised the market with its decision in December to widen the band it allows the country's 10-year government bond yield to trade within; the move effectively setting the stage for a shift away from the Bank's ultra-easy monetary policy.

Share markets extended their gains through the first quarter of 2023 on expectations the Fed was close to hitting the pause button on interest rates amid further evidence US inflation had peaked and renewed concerns over the country's banking system. Headline inflation in the US climbed 6.4% in the 12 months to 31 January, which was down on the 6.5% rise we saw in December and the seventh month in a row that inflation had slowed. In response, the Fed lifted interest rates by a more modest 0.25% following its early February meeting; the move representing a material shift away from the larger 0.50% and 0.75% increases we saw in 2022. We saw a further moderation in US inflation ahead of the Fed's 21-22 March meeting, with consumer prices rising 6.0% in the 12 months to 28 February. It was also around this time that we saw several US midsize banks collapse and Swiss banking giant UBS acquire troubled country peer Credit Suisse.

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<sup>6</sup> Global shares measured by the MSCI World ex Australia Net Accumulation Index in LC

<sup>7</sup> Global shares measured by the MSCI World ex Australia Net Accumulation Index in AUD

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Fears of a more systemic banking crisis, together with the ongoing moderation in inflation, led to increased speculation the Fed would leave interest rates on hold at its March meeting; though the Bank ultimately disappointed investors by lifting rates a further 0.25% to a target range of between 4.75% and 5.00%. Elsewhere, both the ECB and the BoE raised interest rates twice in the March quarter, as was widely expected.

Stocks closed out the year with further gains in the June quarter. Contributing to these later gains were expectations the Fed was about to hit the pause button, which it eventually did; the Bank maintaining its benchmark fed funds rate at a target range of between 5.00% and 5.25% in June. The decision to hold rates steady followed a cumulative increase in the fed funds rate of 5.00% since March last year. In its press release accompanying the decision, the Fed said, “holding the target range steady...allows the Committee to assess additional information and its implications for monetary policy.” However, a majority of officials still believed that high inflation, together with the enduring strength of the US economy, would likely warrant further rate increases. Elsewhere, the ECB and the BoE continued to raise interest rates as inflation in both regions remained elevated. The ECB lifted its main refinancing rate from 3.50% to 4.00% and described another hike in July as “very likely”, while the BoE lifted its benchmark interest rate from 4.25% to 5.00%; including a surprisingly aggressive 0.50% increase in June after core inflation in the UK hit a 31-year high in May. Stocks also benefited from an end to the standoff between Democrats and Republicans over the US government’s debt ceiling and a series of mostly encouraging earnings updates, which is to say earnings were ‘less bad’ than the market had anticipated.

At the country level, all three major US indices – the S&P 500 Index (17.6%), the Dow Jones Industrial Average (11.8%) and the tech-heavy NASDAQ Composite Index (25.0%) – rose over the period. Share markets were also higher in Europe (27.3%<sup>8</sup>), Japan (22.3%<sup>9</sup>) and the UK (5.1%<sup>10</sup>) but fell in China (-14.3%<sup>11</sup>).

### Australian shares

The Australian share market was stronger for the year, with the S&P/ASX 300 Accumulation Index closing the period up 14.4% despite sharply higher domestic interest rates. Investors were instead encouraged by the Reserve Bank of Australia (RBA)’s decision in October to reduce the magnitude of its rate hikes from 0.50% to 0.25%, a gradual easing in inflation and increasing speculation toward the end of the period that the Bank was close to ending its rate-hiking cycle altogether. The local market also benefited from good gains across the major miners and three of the ‘Big Four’ banks – NAB being the exception – and a strong lead from US stocks. Limiting the advance were higher interest rates globally, early (global) recession fears and concerns over China’s post-pandemic recovery. Stocks were also impacted by higher bond yields and heightened geopolitical uncertainty. At the sector level, information technology (32.1%) posted the biggest gains for the year. Materials (22.2%), utilities (20.3%) and communication services (17.9%) were also stronger, while property trusts (6.6%), healthcare (6.2%) and consumer staples (5.9%) underperformed the broader market.

In terms of central bank activity, the RBA raised interest rates a total of 10 times over the year, taking the official cash rate from 0.85% to 4.10% as officials continued to battle high inflation. The Bank had hit the pause button in April but unexpectedly lifted rates again in early May, arguing that while inflation in Australia had passed its peak, it was still too high and that it would be some time yet before it was back within the Bank’s 2-3% target range. The RBA pulled the trigger again in early June, just days after the release of monthly inflation figures that showed consumer prices rose 6.8% in the 12 months to 30 April. This was up on the 6.3% gain we saw in March as well as analysts’ expectations of a 6.4% rise. In its June post-meeting statement, the RBA reiterated its earlier view that inflation was still too high and that it would be some time yet before it was back within the Bank’s target range. Officials also added that June’s rate hike would provide greater confidence that inflation will return to target within a reasonable timeframe.

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8 European shares measured by the Dow Jones EuroStoxx 50 Index

9 Japanese shares measured by the TOPIX Index

10 UK shares measured by the FTSE 100 Index

11 Chinese shares measured by the Shanghai Shenzhen CSI 300 Index

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## Real estate investment trusts

Australian real estate investment trusts (REITs) performed well over the period, closing the year up 7.5%<sup>12</sup>. Similar to the broader equity market, property stocks benefited from a combination of easing inflation and mounting speculation through the second half of the period that the RBA's current rate tightening cycle may be coming to an end. Limiting the market's gains were higher long-term government bond yields. The industrials and self-storage sectors posted the biggest gains for the year. Diversified, residential and retail names also performed relatively well. In contrast, global REITs (-5.9%<sup>13</sup>) fell over the period. The UK posted the biggest decline as government bond yields surged in the face of stubbornly high inflation. Asia Pacific ex Japan, Continental Europe, Japan and North America were also weaker, while emerging markets and Australia recorded good gains. At the sector level, US office, healthcare and specialty names were amongst the worst performers over the year, while US malls and technology-related stocks posted strong gains.

## Bonds and cash

Global bonds fell over the year, returning -1.2%<sup>14</sup>. Major long-term government bond yields were higher (prices lower) against a backdrop of high inflation and rising interest rates. However, bonds did benefit from their traditionally defensive characteristics in the face of heightened geopolitical risks, including the war in Ukraine and ongoing Sino-US frictions. Global credit markets were stronger for the year. The Australian bond market outperformed its global counterpart over the period, returning a modest 1.2%<sup>15</sup>. Similar to the theme we saw in global bond markets, Australian government bonds weakened as the RBA pushed interest rates sharply higher in an effort to tame inflation; the yield on domestic 10-year government debt rising 36 basis points to 4.0238%. In contrast, local credit markets were positive, with spreads narrowing amid easing inflation and increasing speculation the RBA may be nearing the end of its rate-hiking cycle.

Cash (2.9%)<sup>16</sup> was higher over the past 12 months, outperforming global REITs, global bonds and Australian bonds but underperforming global shares, Australian shares and domestic REITs.

## Australian dollar

The AUD fell slightly over the year, driven in part by higher global interest rates, easing inflation locally and slowing domestic growth. The local currency was also impacted by concerns over China's post-pandemic recovery and general US dollar (USD) strength. Limiting the decline was a series of RBA rate hikes.

The AUD fell 7.4% against both the British pound and the euro and 3.8% against the USD. It rose 2.7% against the Japanese yen, while the broader Australian Trade-Weighted Index<sup>17</sup> closed the year 0.2% lower.

## Where to from here?

Markets have faced multiple concerns in the past 12 to 24 months; including Russia's invasion of Ukraine, surging inflation, central bank tightening, a slowing Chinese economy and regional banking crises in the US and Europe. Despite these events and more, the US economy has so far proven remarkably resilient, with markets continuing to price in a 'soft landing'; though we are seeing several leading economic indicators flash warning signs.

Our composite contrarian indicator, which measures overbought versus oversold levels for the US S&P 500 Index via a range of technical, positioning and survey indicators, has continued to soften as equity markets moved higher and is no longer at oversold levels. It's currently sitting close to neutral after the equity market pullback we experienced in August.

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12 Australian REITs measured by the S&P/ASX 300 Property Accumulation Index

13 Global REITs measured by the FTSE EPRA/NAREIT Developed Real Estate Index Net TRI (hedged to AUD)

14 Global bonds measured by the Bloomberg Global Aggregate Index – \$A Hedged

15 Australian bonds measured by the Bloomberg AusBond Composite 0+ Year Index

16 Cash measured by the Bloomberg AusBond Bank Bill Index

17 The trade-weighted index for the AUD is an indicator of movements in the average value of the AUD against the currencies of our trading partners.

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The main uncertainty for markets is the outlook for the US economy. Whilst economic data so far this year has proven more resilient than markets initially expected, our base case remains that a recession in the US is more likely than not. The upside risk for the US economy and markets comes from the possibility that US core inflation has peaked. This, combined with some softening in the labour market, could allow the Fed to become less hawkish later this year and into 2024.

We still prefer non-US developed equities over US equities. We believe non-US developed equities are relatively cheaper and likely to benefit from weakness in the USD should the Fed become less hawkish. Within the equities space, we prefer the quality factor, which tracks stocks that have low debt and stable earnings growth.

For fixed income assets, we believe US, UK and German government bonds offer reasonable value. In the US, the spread between two- and 10-year government bond yields is close to an extreme. We believe it's likely the yield curve will steepen in the coming months, which it tends to do when the Fed finishes raising interest rates and markets start looking toward rate cuts. Meanwhile, Japanese government bonds look expensive despite the BoJ's recent announcement regarding their yield curve control policy.

In the currency space, the USD remains in a downward trend as investors speculate that the Fed is nearing the end of its rate-hiking cycle. Given the counter-cyclical nature of the USD, we believe the currency could weaken further if markets become confident that a US recession can be avoided. The Japanese yen looks attractive from a cycle, value and sentiment perspective.

The bottom line is that investors are worried about slowing growth and the potential for an aggressive Fed to cause a recession; though these concerns have softened of late. Recent indicators support our view that US core inflation can trend lower through the remainder of 2023, but the key question is by how much. A sustained move lower would ease fears around excessive Fed tightening and a deep recession. However, until this becomes apparent, markets are likely to remain volatile.

# Your investment portfolios

## Diversified Portfolios for iQ Super, Resource Super and Nationwide Super

### GoalTracker

| Age   | below 40  | 41- 50   | 51- 55                    | 56 - 60               | 60 +     |
|---|---|----------|---------------------------|-----------------------|----------|
| <b>Investment return objective<sup>18</sup></b><br>% above inflation p.a. | 4.3%  | 4.3%     | 3.8% - 4.2%               | 3.3% - 3.7%           | 3.3%     |
| <b>Investment strategy</b>  | The option is typically exposed to a diversified mix between growth and defensive investments as shown below (the option may be exposed to derivatives) <sup>19</sup> : |          |                           |                       |          |
| Growth investments:   | 95  | 95       | 82.5 – 92.5 <sup>20</sup> | 70 – 80 <sup>21</sup> | 70       |
| Defensive investments:  | 5   | 5        | 7.5 – 17.5                | 20 – 30               | 30       |
| <b>Asset Allocation at 30 June 2023</b>                                   | <b>%</b>  | <b>%</b> | <b>% Range</b>            | <b>% Range</b>        | <b>%</b> |
| Australian equities   | 42.3  | 42.3     | 35.6 – 41.0               | 29.0 – 34.3           | 29.0     |
| International shares  | 45.4  | 45.4     | 39.3 – 44.2               | 33.2 – 38.1           | 33.2     |
| Property  | 2.0   | 2.0      | 1.9 – 2.0                 | 1.8 – 1.9             | 1.8      |
| Fixed income  | 1.1   | 1.1      | 2.7 – 9.3                 | 10.9 – 17.5           | 17.5     |
| Australian cash   | 3.7   | 3.7      | 4.2 – 6.1                 | 6.5 – 8.4             | 8.4      |
| Infrastructure  | 2.5   | 2.5      | 2.5 – 2.7                 | 2.7 – 2.9             | 2.9      |
| Other alternatives  | 3.0   | 3.0      | 3.4 – 5.1                 | 5.5 – 7.2             | 7.2      |

18 The objective is to earn a return, after costs and tax, which exceeds CPI by the % p.a. shown, measured over rolling 5 and 10 year periods. CPI stands for Consumer Price Index, which is used as a measure of inflation.

19 The actual asset allocation may temporarily fall outside ranges stated in certain circumstances, such as asset transitions or extreme market movements.

20 Growth assets decrease by 2.5% each year from 92.5% at age 51 to 82.5% at age 55. Defensive assets increase by 2.5% each year from 7.5% at age 51 to 17.5% at age 55.

21 Growth assets decrease by 2.5% each year from 80% at age 56 to 70% at age 60. Defensive assets increase by 2.5% each year from 20% at age 56 to 30% at age 60.

## Diversified Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement (Contribution Account)

### Defensive

#### Investment return objective

To earn a return after costs and tax, exceeding CPI\* by 2.0% per annum, measured over rolling 5 year periods.

#### Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 30% and defensive investments around 70%. The Portfolio may be exposed to derivatives.

#### Asset allocation as at 30 June

| Asset class          | 2023 (%) | 2022 (%) |
|----------------------|----------|----------|
| Australian equities  | 11.2     | 12.0     |
| International shares | 17.1     | 14.5     |
| Property             | 1.5      | 1.4      |
| Fixed income         | 39.3     | 35.0     |
| Australian cash      | 14.6     | 20.6     |
| Infrastructure       | 3.4      | 3.0      |
| Other alternatives   | 12.9     | 13.5     |

### Diversified 50

#### Investment return objective

To earn a return after costs and tax, exceeding CPI\* by 3.0% per annum, measured over rolling 5 year periods

#### Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 50% and defensive investments around 50%. The Portfolio may be exposed to derivatives.

#### Asset allocation as at 30 June

| Asset class          | 2023 (%) | 2022 (%) |
|----------------------|----------|----------|
| Australian equities  | 20.6     | 19.9     |
| International shares | 28.0     | 24.7     |
| Property             | 1.6      | 1.3      |
| Fixed income         | 26.4     | 31.1     |
| Australian cash      | 3.9      | 5.0      |
| Infrastructure       | 3.0      | 2.6      |
| Other alternatives   | 16.4     | 15.4     |

\* CPI stands for Consumer Price Index, which is used as a measure of inflation.

## Diversified Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement (Contribution Account)

### Balanced Growth<sup>22</sup>

#### Investment return objective

To earn a return after costs and tax, exceeding CPI\* by 3.5% per annum, measured over rolling 5 and 10 year periods.

#### Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 70% and defensive investments around 30%. The Portfolio may be exposed to derivatives.

#### Asset allocation as at 30 June

| Asset class          | 2023 (%) | 2022 (%) |
|----------------------|----------|----------|
| Australian equities  | 28.8     | 29.0     |
| International shares | 34.9     | 29.4     |
| Property             | 3.6      | 3.5      |
| Fixed income         | 13.8     | 18.9     |
| Australian cash      | 1.1      | 0.8      |
| Infrastructure       | 5.7      | 5.6      |
| Other alternatives   | 12.2     | 12.8     |

### Growth

#### Investment return objective

To earn a return after costs and tax, exceeding CPI\* by 4.0% per annum, measured over rolling 5 year periods.

#### Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 90% and defensive investments around 10%. The Portfolio may be exposed to derivatives.

#### Asset allocation as at 30 June

| Asset class          | 2023 (%) | 2022 (%) |
|----------------------|----------|----------|
| Australian equities  | 29.9     | 30.8     |
| International shares | 39.9     | 34.9     |
| Property             | 2.2      | 2.5      |
| Fixed Income         | 5.8      | 6.4      |
| Australian cash      | 3.5      | 6.6      |
| Infrastructure       | 3.1      | 2.8      |
| Other alternatives   | 15.6     | 16.0     |

\* CPI stands for Consumer Price Index, which is used as a measure of inflation.

<sup>22</sup> Formerly named the Balanced Opportunities prior to 1 October 2020

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## Diversified Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement (Contribution Account)

### High Growth

#### Investment return objective

To earn a return after costs and tax, exceeding CPI\* by 4.5% per annum, measured over rolling 5 year periods.

#### Investment strategy

The Portfolio is typically fully exposed to a diversified portfolio of growth investments. The Portfolio may be exposed to derivatives.

#### Asset allocation as at 30 June

| Asset class          | 2023 (%) | 2022 (%) |
|----------------------|----------|----------|
| Australian equities  | 43.2     | 44.0     |
| International shares | 46.2     | 43.2     |
| Property             | 2.1      | 1.3      |
| Fixed Income         | 0.0      | 0.0      |
| Australian cash      | 3.4      | 5.2      |
| Infrastructure       | 2.5      | 2.8      |
| Other alternatives   | 2.7      | 3.5      |

\* CPI stands for Consumer Price Index, which is used as a measure of inflation.

## Diversified Portfolios for iQ Retirement (Pension Account)

### Defensive

#### Investment return objective

##### For Contribution Account

To earn a return after costs and tax, exceeding CPI\* by 2.0% per annum, measured over rolling 5 year periods

##### For Pension Account

To earn a return after costs, exceeding CPI\* by 2.0% per annum, measured over rolling 5 year periods.

#### Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 30% and defensive investments around 70%. The Portfolio may be exposed to derivatives.

#### Asset allocation as at 30 June

| Asset class          | 2023 (%) | 2022 (%) |
|----------------------|----------|----------|
| Australian equities  | 14.7     | 14.1     |
| International shares | 11.5     | 11.1     |
| Property             | 4.4      | 5.0      |
| Fixed income         | 39.7     | 39.2     |
| Australian cash      | 26.5     | 26.5     |
| Infrastructure       | 3.2      | 4.1      |

### Diversified 50

#### Investment return objective

##### For Contribution Account

To earn a return after costs and tax, exceeding CPI\* by 3.0% per annum, measured over rolling 5 year periods

##### For Pension Account

To earn a return after costs, exceeding CPI\* by 3.0% per annum, measured over rolling 5 year periods.

#### Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 50% and defensive investments around 50%. The Portfolio may be exposed to derivatives.

#### Asset allocation as at 30 June

| Asset class          | 2023 (%) | 2022 (%) |
|----------------------|----------|----------|
| Australian equities  | 21.6     | 21.5     |
| International shares | 20.2     | 19.9     |
| Property             | 7.5      | 7.0      |
| Fixed income         | 35.3     | 33.8     |
| Australian cash      | 12.6     | 14.1     |
| Infrastructure       | 3.0      | 3.7      |

\* CPI stands for Consumer Price Index, which is used as a measure of inflation.

## Diversified Portfolios for iQ Retirement (Pension Account)

### Balanced Growth<sup>23</sup>

#### Investment return objective

##### For Contribution Account

To earn a return after costs and tax, exceeding CPI\* by 3.5% per annum, measured over rolling 5 and 10 year periods.

##### For Pension Account

To earn a return after costs, exceeding CPI\* by 3.5% per annum, measured over rolling 5 and 10 year periods.

#### Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 70% and defensive investments around 30%. The Portfolio may be exposed to derivatives.

#### Asset allocation as at 30 June

| Asset class          | 2023 (%) | 2022 (%) |
|----------------------|----------|----------|
| Australian equities  | 31.8     | 31.6     |
| International shares | 29.1     | 28.7     |
| Property             | 7.0      | 8.1      |
| Fixed income         | 22.6     | 23.0     |
| Australian cash      | 6.2      | 4.0      |
| Infrastructure       | 3.4      | 4.6      |

### Growth

#### Investment return objective

##### For Contribution Account

To earn a return after costs and tax, exceeding CPI\* by 4.0% per annum, measured over rolling 5 year periods.

##### For Pension Account

To earn a return after costs, exceeding CPI\* by 4.0% per annum, measured over rolling 5 year periods.

#### Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 90% and defensive investments around 10%. The Portfolio may be exposed to derivatives.

#### Asset allocation as at 30 June

| Asset class          | 2023 (%) | 2022 (%) |
|----------------------|----------|----------|
| Australian equities  | 35.1     | 35.8     |
| International shares | 38.9     | 40.0     |
| Property             | 7.9      | 8.7      |
| Fixed income         | 11.1     | 9.4      |
| Australian cash      | 2.7      | 0.3      |
| Infrastructure       | 4.4      | 5.8      |

\* CPI stands for Consumer Price Index, which is used as a measure of inflation.

<sup>23</sup> Formerly named the Balanced Opportunities prior to 1 October 2020.

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## Diversified Portfolios for iQ Retirement (Pension Account)

### High Growth

#### Investment return objective

##### For Contribution Account

To earn a return after costs and tax, exceeding CPI by 4.5% per annum, measured over rolling 5 year periods.

##### For Pension Account

To earn a return after costs, exceeding CPI\* by 4.5% per annum, measured over rolling 5 year periods.

#### Investment strategy

The Portfolio is typically fully exposed to a diversified portfolio of growth investments. The Portfolio may be exposed to derivatives.

#### Asset allocation as at 30 June

| Asset class          | 2023 (%) | 2022 (%) |
|----------------------|----------|----------|
| Australian equities  | 43.1     | 44.6     |
| International shares | 45.6     | 44.9     |
| Property             | 7.0      | 6.5      |
| Fixed income         | 0.0      | 0.0      |
| Australian cash      | 1.5      | 0.4      |
| Infrastructure       | 2.9      | 3.6      |

\* CPI stands for Consumer Price Index, which is used as a measure of inflation.

# Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

## Australian Cash

### Investment return objective

#### For iQ Super, iQ Retirement Contribution and iQ Retirement Pension Accounts

To earn a return in line with the Reserve Bank cash rate target, before tax and after costs, over rolling 1 year periods.

Earn a return broadly in line with inflation over the long-term, before tax and after costs.

### Investment strategy

The Portfolio is predominantly exposed to assets such as bank deposits, money market instruments (including but not limited to bank bills and certificates of deposit).

### Benchmark

Bloomberg AusBond Bank Bill Index

### Asset allocation as at 30 June

| Asset class                | 2023 (%) | 2022 (%) |
|----------------------------|----------|----------|
| Non-Bank Corporate Debt    | 0.0      | 0.0      |
| Mortgage Backed Securities | 0.0      | 0.0      |
| Money Market Instruments   | 63.2     | 66.1     |
| Bank Debt                  | 0.0      | 0.0      |
| Asset Backed Securities    | 0.0      | 0.0      |
| Cash                       | 27.6     | 26.9     |
| Government                 | 9.2      | 7.0      |

## Australian Floating Rate<sup>24</sup>

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods

### Investment strategy

The Portfolio is predominantly exposed to assets such as bank deposits, money market instruments (including but not limited to bank bills and certificates of deposit), corporate floating rate notes and asset backed and mortgage backed securities. The Portfolio may also be exposed to fixed rate corporate debt, derivatives and non-Australian dollar denominated cash and cash equivalent securities. Underlying foreign currency exposures will be largely hedged back to Australian dollars.

### Benchmark

Bloomberg AusBond Bank Bill Index

### Asset allocation as at 30 June

| Asset class          | 2023 (%) | 2022 (%) |
|----------------------|----------|----------|
| Cash                 | 6.8      | 16.5     |
| Corporate High Yield | 0.0      | 0.0      |
| Corporate Inv. Grade | 55.7     | 46.7     |
| FX/Rates             | 0.0      | 0.0      |
| Government           | 0.7      | 0.0      |
| Gov. Related         | 3.4      | 5.2      |
| Securitised          | 30.9     | 29.8     |
| Emerging Markets     | 2.4      | 1.8      |

<sup>24</sup> Formerly named the Australian Cash Enhanced prior to 1 October 2020.

# Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

## Australian Fixed Income

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The Portfolio invests in Australian issued government, quasi-government and corporate fixed income securities with a focus on providing investors with an income stream. The Portfolio may also hold exchange traded funds to a limited extent from time to time.

Derivatives may be used to a limited extent to obtain or reduce exposure to securities and may also be used to derive additional income and manage investment risk.

### Benchmark

Bloomberg AusBond Composite 0+ Yr Index<sup>25</sup>

### Asset allocation as at 30 June

| Asset class                | 2023 (%) | 2022 (%) |
|----------------------------|----------|----------|
| Cash                       | 3.8      | 5.5      |
| Corporate High Yield       | 0.0      | 0.0      |
| Corporate Investment Grade | 23.2     | 21.1     |
| FX/Rates                   | 0.0      | 0.0      |
| Government                 | 34.0     | 33.4     |
| Government Related         | 35.2     | 36.4     |
| Securitized                | 2.2      | 1.2      |
| Emerging Markets           | 1.6      | 2.4      |

## Global Fixed Income - \$A Hedged

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The option invests predominantly in debt securities issued by supranationals, international governments, quasi-governments, agencies, and corporates as well as structured credit securities including mortgage and asset backed securities. The option may also be exposed to low grade or unrated debt securities, emerging markets, and currency to a limited extent. The option promotes a reduction in carbon footprint exposure, mainly by excluding companies identified as having a relatively high exposure to carbon-intensive thermal coal activities. The option also invests in corporations which follow good governance practices by international standards, including company responsibility, company management and the severity of impacts on stakeholders and/or the environment.

Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk. Foreign currency exposures are largely hedged back to Australian dollars, apart from those foreign currency exposures which are utilised to generate excess returns from active currency management.

### Benchmark

Bloomberg Global Aggregate Index (\$A Hedged)<sup>26</sup>

### Asset allocation as at 30 June

| Asset class   | 2023 (%) | 2022 (%) |
|---------------|----------|----------|
| United States | 39.8     | 40.8     |
| Europe        | 21.6     | 18.5     |
| Asia Pacific  | 13.2     | 12.1     |
| Other         | 25.4     | 28.6     |

<sup>25</sup> Formerly named Bloomberg Barclays AusBond Composite 0+ Yr Index prior to 24 August 2021.

<sup>26</sup> Formerly named Bloomberg Barclays Global Aggregate Index (\$A Hedged) prior to 24 August 2021.

# Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

## Australian Opportunities

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The Portfolio is predominantly exposed to shares and unit trusts listed or about to be listed on the Australian Securities Exchange. The Portfolio may also be exposed to derivatives and short selling.

### Benchmark

S&P/ASX 300 Accumulation Index

### Asset allocation as at 30 June

| Asset Class                 | 2023 (%) | 2022 (%) |
|-----------------------------|----------|----------|
| Financial-X-Property Trusts | 21.7     | 20.4     |
| Materials                   | 25.6     | 23.3     |
| Consumer Discretionary      | 6.8      | 8.4      |
| Energy                      | 6.5      | 8.9      |
| Industrials                 | 8.2      | 5.6      |
| Consumer Staples            | 3.3      | 2.7      |
| Health Care                 | 12.9     | 14.4     |
| Property Trusts             | 6.0      | 4.5      |
| Information Technology      | 2.9      | 2.1      |
| Telecommunication Services  | 4.1      | 7.3      |
| Utilities                   | 2.1      | 2.6      |
| Other                       | 0.0      | 0.0      |

## Global Opportunities

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The Portfolio is predominantly exposed to a broad range of international shares listed on stock exchanges in developed and emerging international markets. The Portfolio may also be exposed to derivatives and emerging market equity securities.

### Benchmark

Until 30 September 2018: Russell Global Large Cap – Net Index

From 1 October 2018: MSCI ACWI Index - Net

### Asset allocation as at 30 June

| Asset class             | 2023 (%) | 2022 (%) |
|-------------------------|----------|----------|
| North America           | 59.7     | 59.4     |
| EMEA ex United Kingdom  | 13.5     | 12.0     |
| Japan                   | 6.1      | 6.6      |
| United Kingdom          | 3.9      | 3.8      |
| Emerging Markets        | 12.3     | 13.3     |
| Asia / Pacific ex Japan | 2.1      | 3.1      |
| Other                   | 2.5      | 1.8      |

# Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

## Global Opportunities - \$A Hedged

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The Portfolio is predominantly exposed to a broad range of international shares listed on stock exchanges in developed and emerging international markets. The Portfolio may also be exposed to derivatives and emerging market equity securities. Underlying foreign currency exposures are largely hedged back to Australian dollars.

### Benchmark

Until 30 September 2018: Russell Global Large Cap AUD Hedged Index – Net

From 1 October 2018: MSCI ACWI Index – 100% Hedged to AUD - Net

### Asset allocation as at 30 June

| Asset class             | 2023 (%) | 2022 (%) |
|-------------------------|----------|----------|
| North America           | 59.7     | 59.4     |
| EMEA ex United Kingdom  | 13.5     | 12.0     |
| Japan                   | 6.1      | 6.6      |
| Emerging Markets        | 3.9      | 3.8      |
| United Kingdom          | 12.3     | 13.3     |
| Asia / Pacific ex Japan | 2.1      | 3.1      |
| Other                   | 2.5      | 1.8      |

## Emerging Markets

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The option is predominantly exposed to shares listed on stock exchanges in emerging markets. The option may also have exposure to shares listed on stock exchanges in countries which are considered 'frontier' or 'pre-emerging' and to shares listed on developed markets' stock exchanges where the issuer of the security derives a material proportion of its revenue from the emerging markets. The underlying fund seeks to reduce its carbon footprint exposure compared to the Benchmark. The underlying fund will invest in corporations which follow good governance practices by international standards, including company responsibility, company management and the severity of impacts on stakeholders and/or the environment.

### Benchmark

Until 31 December 2017: Russell Emerging Markets Index – Net

From 1 January 2018: MSCI Emerging Markets Index – Net

### Asset allocation as at 30 June

| Asset class  | 2023 (%) | 2022 (%) |
|--------------|----------|----------|
| China        | 33.4     | 35.8     |
| South Korea  | 12.5     | 10.5     |
| Taiwan       | 13.9     | 10.3     |
| India        | 11.2     | 8.4      |
| Brazil       | 8.7      | 5.9      |
| South Africa | 2.7      | 2.7      |
| Indonesia    | 2.9      | 2.5      |
| Mexico       | 3.3      | 2.4      |
| Other        | 11.6     | 21.6     |

# Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

## International Property Securities - \$A Hedged

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The Portfolio is predominantly exposed to property trusts and property related securities listed on stock exchanges in developed international markets. The Portfolio may also be exposed to securities which have exposure to properties in emerging markets. Underlying foreign currency exposures are largely hedged back to Australian dollars.

### Benchmark

FTSE EPRA/NAREIT Developed Real Estate Index Net TRI - \$AH Hedged

### Asset allocation as at 30 June

| Asset class        | 2023 (%) | 2022 (%) |
|--------------------|----------|----------|
| North America      | 65.4     | 63.4     |
| Continental Europe | 6.4      | 7.5      |
| Japan              | 9.5      | 10.0     |
| Asia Ex Japan      | 8.1      | 8.6      |
| United Kingdom     | 4.5      | 5.7      |
| Australia          | 5.1      | 3.9      |
| Emerging Markets   | 0.0      | 0.6      |
| Other              | 1.1      | 0.3      |

## Responsible Australian Shares

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The Portfolio is predominantly exposed to shares or unit trusts listed or about to be listed on the Australian Securities Exchange. In selecting shares or unit trusts, consideration is given to one or more socially responsible standards (e.g. social, ethical or environmental standards).

### Benchmark

S&P/ASX 300 Accumulation Index

### Asset allocation as at 30 June

| Asset class                 | 2023 (%) | 2022 (%) |
|-----------------------------|----------|----------|
| Energy                      | 0.0      | 0.0      |
| Materials                   | 18.2     | 17.2     |
| Industrials                 | 8.6      | 9.8      |
| Consumer Discretionary      | 1.4      | 0.9      |
| Consumer Staples            | 3.2      | 1.2      |
| Health Care                 | 10.9     | 12.9     |
| Information Technology      | 6.8      | 6.9      |
| Telecommunication Services  | 11.0     | 13.4     |
| Financial-X-Property Trusts | 29.4     | 26.6     |
| Property Trusts             | 5.2      | 3.4      |
| Cash & Other                | 5.3      | 7.7      |

# Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

## Responsible Global Shares

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The Portfolio is predominantly exposed to a broad range of international shares listed on stock exchanges in developed and emerging international markets. The Portfolio is invested in a fund that will maintain a reduced carbon exposure compared to the benchmark, whilst also increasing exposure to renewable energy and taking into account other ESG considerations such as the exclusion of controversial weapons, uranium and tobacco companies. The Portfolio may also be exposed to derivatives.

### Benchmark

MSCI ACWI ex Australia Index Net

### Asset allocation as at 30 June

| Asset class            | 2023 (%) | 2022 (%) |
|------------------------|----------|----------|
| North America          | 65.9     | 64.6     |
| EMEA Ex United Kingdom | 13.4     | 12.4     |
| Emerging Markets       | 10.6     | 11.8     |
| Japan                  | 5.4      | 5.7      |
| United Kingdom         | 3.7      | 4.0      |
| Asia Pacific Ex Japan  | 1.0      | 1.3      |
| Other                  | 0.0      | 0.2      |

## Third Party Indexed Australian Shares

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return in line with the benchmark, before costs and tax, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The Portfolio is predominantly exposed to shares and unit trusts listed or about to be listed on the Australian Securities Exchange. The Portfolio is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The Portfolio may also be exposed to derivatives.

### Benchmark

S&P/ASX 300 Accumulation Index

### Asset allocation as at 30 June

| Asset class                | 2023 (%) | 2022 (%) |
|----------------------------|----------|----------|
| Financials                 | 27.5     | 27.4     |
| Materials                  | 24.6     | 23.7     |
| Health Care                | 9.7      | 10.1     |
| Consumer Staples           | 4.9      | 5.2      |
| Real Estate                | 6.0      | 6.4      |
| Industrials                | 7.2      | 6.2      |
| Energy                     | 5.3      | 5.9      |
| Consumer Discretionary     | 6.6      | 6.6      |
| Information Technology     | 2.7      | 3.0      |
| Telecommunication Services | 4.0      | 4.1      |
| Utilities                  | 1.5      | 1.4      |

# Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

## Third Party Indexed Global Shares

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return in line with the benchmark, before costs and tax, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The Portfolio is predominantly exposed to a broad range of international shares listed on stock exchanges in developed international markets. The Portfolio is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The Portfolio may also be exposed to derivatives.

### Benchmark

MSCI World ex-Australia (with net dividends reinvested) in Australian dollars Index

### Asset allocation as at 30 June

| Asset class                | 2023 (%) | 2022 (%) |
|----------------------------|----------|----------|
| Information Technology     | 22.6     | 21.5     |
| Financials                 | 14.3     | 13.2     |
| Consumer Discretionary     | 11.2     | 10.7     |
| Health Care                | 12.8     | 14.2     |
| Industrials                | 11.2     | 10.0     |
| Consumer Staples           | 7.4      | 7.9      |
| Energy                     | 4.5      | 4.9      |
| Material                   | 3.7      | 3.9      |
| Utilities                  | 2.8      | 3.2      |
| Real Estate                | 2.3      | 2.8      |
| Telecommunication Services | 7.1      | 7.7      |

## Third Party Indexed Global Shares - \$A Hedged

### Investment return objective

#### For iQ Super and iQ Retirement Contribution Accounts

To earn a return in line with the benchmark, before costs and tax, over rolling 5 year periods.

#### For iQ Retirement Pension Accounts

To earn a return above benchmark, after costs, over rolling 5 year periods.

### Investment strategy

The Portfolio is predominantly exposed to a broad range of international shares listed on stock exchanges in developed international markets. The Portfolio is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The Portfolio may also be exposed to derivatives. Underlying foreign currency exposures are largely hedged back to Australian dollars.

### Benchmark

MSCI World ex-Australia (with net dividends reinvested) hedged into AUD Index

### Asset allocation as at 30 June

| Asset class                | 2023 (%) | 2022 (%) |
|----------------------------|----------|----------|
| Information Technology     | 22.6     | 21.5     |
| Financials                 | 14.3     | 13.2     |
| Consumer Discretionary     | 11.2     | 10.7     |
| Health Care                | 12.8     | 14.2     |
| Industrials                | 11.2     | 10.0     |
| Consumer Staples           | 7.4      | 7.9      |
| Energy                     | 4.5      | 4.9      |
| Material                   | 3.7      | 3.9      |
| Utilities                  | 2.8      | 3.2      |
| Real Estate                | 2.3      | 2.8      |
| Telecommunication Services | 7.1      | 7.7      |

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# Investment returns

If you are an accumulation member invested in GoalTracker, the value of your investment will fluctuate with the market value of the underlying investments. The investment returns are generally calculated daily and are based on changes in the market value of the underlying investments.

For other investment options, the investment earnings are determined by movement in the daily unit prices of your chosen investment strategy.

If you are a defined benefit member and have investment choice for some of your accounts, these accounts are credited with a daily crediting rate which reflects the net investment return for each day on your chosen investment portfolio(s).

If you are a defined benefit member without investment choice you should refer to Your Super Plan insert for details of how investment earnings are credited to your accounts.

## Default Investment Portfolio

Where you have member investment choice and do not make an investment election, your account will generally be invested in the default MySuper investment portfolio, GoalTracker. Please refer to your Investment Guide for more information. Your Investment Guide is available in your online member account which you can access at [russellinvestments.com.au/login](https://russellinvestments.com.au/login).

## Investment returns as at 30 June 2023

The table on the following pages provide the investment returns as at 30 June 2023 for iQ Super, iQ Retirement, and Term Allocated Pension (TAP). For Defined Benefit members, please refer to the relevant insert provided with Your Annual Report 2023 for specific investment returns.

The returns shown are net of investment management fees and taxes on investment income. Returns are the compound average net earnings for each period. Past performance is not indicative of future performance. Your investment return/s (if any) may differ depending on the following factors: your investment option if you have selected an investment strategy. If no investment option was selected, the asset will be invested in the default investment strategy; any investment switches made during the financial period; date you joined the plan; and the timing of contributions made during the financial period.

## iQ Super, Resource Super and Nationwide Super

### Diversified Options

| Portfolios            | Inception date* | 2023<br>%<br>(p.a.)  | 2022<br>%<br>(p.a.)   | 2021<br>%<br>(p.a.)  | 2020<br>%<br>(p.a.) | 2019<br>%<br>(p.a.) | 5-year<br>%<br>(p.a.) | Since<br>inception<br>% (p.a.) |
|-----------------------|-----------------|--|-----------------------|----------------------|---------------------|---------------------|-----------------------|--------------------------------|
| GoalTracker (MySuper) |                 |  |                       |                      |                     |                     |                       |                                |
| Age Below 40          | 28/03/2020      | 13.47  | -6.49                 | 24.51                |                     |                     |                       | 11.01                          |
| Age 41-50             | 28/03/2020      | 13.47  | -6.49                 | 24.51                |                     |                     |                       | 11.01                          |
| Age 51-55             | 28/03/2020      | 11.67<br>to<br>13.11   | -5.98<br>to -<br>6.39 | 20.87<br>to<br>23.78 |                     |                     |                       | 9.51 to<br>10.71               |
| Age 56-60             | 28/03/2020      | 9.89<br>to<br>11.31  | -5.48<br>to -<br>5.88 | 17.31<br>to<br>20.15 |                     |                     |                       | 8.02 to<br>9.21                |
| Age 60+               | 28/03/2020      | 9.89   | -5.48                 | 17.31                |                     |                     |                       | 8.02                           |
| GoalTracker Plus      | 28/03/2020      | If you have further personalised your GoalTracker (MySuper) option by activating GoalTracker Plus, the GoalTracker (MySuper) investment returns in this table do not apply to you. Please refer to your 30 June 2023 annual statement for your personalised investments returns. |                       |                      |                     |                     |                       |                                |
| Defensive             | 1/07/2003       | 5.12   | -4.24                 | 8.38                 | 0.63                | 5.23                | 2.93                  | 4.91                           |
| Diversified 50        | 1/07/2003       | 7.24   | -5.03                 | 12.94                | -0.92               | 5.42                | 3.74                  | 5.65                           |
| Balanced Growth       | 1/07/2008       | 9.46   | -4.52                 | 18.36                | -0.66               | 6.51                | 5.53                  | 5.78                           |
| Growth                | 1/07/2003       | 11.52  | -5.08                 | 21.79                | -2.87               | 6.28                | 5.88                  | 7.21                           |
| High Growth           | 1/04/2005       | 13.79  | -6.69                 | 25.15                | -3.15               | 6.71                | 6.55                  | 6.78                           |

\* The date the investment portfolio became available.

## Sector Options

| Portfolios                                     | Inception date* | 2023<br>% (p.a.) | 2022<br>% (p.a.) | 2021<br>% (p.a.) | 2020<br>% (p.a.) | 2019<br>% (p.a.) | 5-year<br>% (p.a.) | Since<br>inception<br>% (p.a.) |
|--|-----------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------------------|
| Australian Cash                                | 1/07/2003       | 2.34             | -0.02            | -0.01            | 0.63             | 1.36             | 0.86               | 2.62                           |
| International Property Securities – \$A Hedged | 1/04/2005       | -5.06            | -10.87           | 28.23            | -14.70           | 6.15             | -0.35              | 4.00                           |
| Australian Opportunities                       | 1/11/2004       | 12.05            | -4.92            | 24.07            | -7.14            | 7.39             | 5.68               | 7.49                           |
| Global Opportunities                           | 1/04/2005       | 17.25            | -6.95            | 27.35            | 0.56             | 8.13             | 8.60               | 7.07                           |
| Responsible Australian Shares                  | 1/07/2008       | 14.03            | -11.17           | 23.41            | -4.12            | 7.34             | 5.17               | 5.71                           |
| Australian Fixed Income                        | 24/11/2017      | 0.90             | -10.15           | -0.48            | 3.62             | 7.65             | 0.13               | 0.25                           |
| Global Fixed Income - \$A Hedged               | 24/11/2017      | -2.98            | -10.21           | 0.58             | 6.11             | 5.47             | -0.39              | -0.33                          |
| Emerging Markets                               | 24/11/2017      | 2.99             | -16.90           | 26.41            | -5.36            | 4.60             | 1.38               | 0.63                           |
| Australian Floating Rate                       | 1/07/2007       | 3.65             | -0.62            | 1.26             | 0.99             | 2.22             | 1.49               | 2.81                           |
| Global Opportunities - \$A Hedged              | 24/11/2017      | 12.63            | -12.17           | 34.41            | -3.43            | 3.08             | 5.77               | 5.24                           |
| Responsible Global Shares                      | 24/11/2017      | 17.50            | -8.02            | 23.48            | 5.89             | 10.17            | 9.26               | 8.85                           |
| Third-Party Indexed Australian Shares          | 24/11/2017      | 13.89            | -4.43            | 23.68            | -4.54            | 9.03             | 6.98               | 7.17                           |
| Third-Party Indexed Global Shares              | 24/11/2017      | 20.17            | -4.94            | 23.88            | 5.21             | 10.72            | 10.52              | 10.56                          |
| Third-Party Indexed Global Shares - \$A Hedged | 24/11/2017      | 13.75            | -9.43            | 30.96            | -0.14            | 6.05             | 7.40               | 7.10                           |

\* The date the investment portfolio became available.

## iQ Retirement

Tax is deducted on investments within the Contribution Account. No tax is deducted on investments in the Pension Account. Therefore, the Contribution and Pension Accounts will have different investment return figures for the same investment portfolios. Where returns are positive, the Pension Account will generally display a higher return as no tax is deducted from the return. Where returns are negative, the Pension Account will generally display a lower return because losses cannot be used to offset tax payable within the portfolio.

## Pension Account

| Portfolios                                     | Inception date* | 2023<br>% (p.a.) | 2022<br>% (p.a.) | 2021<br>% (p.a.) | 5 years<br>% (p.a.) | Since<br>inception<br>% (p.a.) |
|--|-----------------|------------------|------------------|------------------|---------------------|--------------------------------|
| Defensive                                      | 1/07/2007       | 6.20             | -5.64            | 10.14            | 3.26                | 4.43                           |
| Diversified 50                                 | 1/07/2007       | 7.98             | -6.68            | 15.66            | 4.18                | 4.76                           |
| Balanced Growth                                | 1/07/2008       | 11.32            | -7.12            | 21.46            | 5.58                | 6.52                           |
| Growth   | 1/07/2007       | 12.78            | -8.09            | 26.15            | 6.13                | 5.02                           |
| High Growth                                    | 1/07/2007       | 14.55            | -8.52            | 28.67            | 6.56                | 5.28                           |
| Australian Opportunities                       | 1/07/2007       | 13.83            | -6.41            | 28.33            | 6.38                | 5.74                           |
| Australian Floating Rate                       | 1/07/2007       | 4.20             | -0.69            | 1.50             | 1.76                | 3.35                           |
| International Property Securities – \$A Hedged | 1/07/2007       | -5.56            | -11.47           | 31.98            | -0.22               | 2.12                           |
| Australian Cash                                | 24/11/2017      | 2.64             | -0.02            | 0.01             | 1.01                | 1.07                           |
| Australian Fixed Income                        | 24/11/2017      | 1.67             | -11.18           | -0.14            | 0.36                | 0.49                           |
| Global Fixed Income - \$A Hedged               | 24/11/2017      | -2.14            | -11.17           | 1.32             | -0.36               | -0.27                          |
| Global Opportunities - \$A Hedged              | 24/11/2017      | 13..33           | -14.12           | 39.84            | 6.32                | 5.75                           |
| Global Opportunities                           | 1/07/2007       | 19.47            | -8.61            | 31.18            | 9.26                | 6.94                           |

\* The date the investment portfolio became available.

| Portfolios                                     | Inception date* | 2023 % (p.a.) | 2022 % (p.a.) | 2021 % (p.a.) | 5 years % (p.a.) | Since inception % (p.a.) |
|--|-----------------|---------------|---------------|---------------|------------------|--------------------------|
| Emerging Markets                               | 24/11/2017      | 4.01          | -19.21        | 30.59         | 1.87             | 0.71                     |
| Responsible Australian Shares                  | 24/11/2017      | 15.35         | -12.55        | 26.19         | 6.10             | 6.69                     |
| Responsible Global Shares                      | 24/11/2017      | 20.17         | -8.85         | 24.14         | 9.08             | 8.65                     |
| Third-Party Indexed Australian Shares          | 24/11/2017      | 15.25         | -5.37         | 29.52         | 7.85             | 8.18                     |
| Third-Party Indexed Global Shares              | 24/11/2017      | 21.99         | -6.09         | 27.45         | 10.87            | 10.80                    |
| Third-Party Indexed Global Shares - \$A Hedged | 24/11/2017      | 16.66         | -12.19        | 35.62         | 7.73             | 7.40                     |

### Contribution Account

| Portfolios                                     | Inception date* | 2023 % (p.a.) | 2022 % (p.a.) | 2021 % (p.a.) | 5 years % (p.a.) | Since inception % (p.a.) |
|--|-----------------|---------------|---------------|---------------|------------------|--------------------------|
| Defensive                                      | 1/07/2003       | 5.12          | -4.24         | 8.38          | 2.93             | 4.91                     |
| Diversified 50                                 | 1/07/2003       | 7.24          | -5.03         | 12.94         | 3.74             | 5.65                     |
| Balanced Growth                                | 1/07/2008       | 9.46          | -4.52         | 18.36         | 5.53             | 5.78                     |
| Growth   | 1/07/2003       | 11.52         | -5.08         | 21.79         | 5.88             | 7.21                     |
| High Growth                                    | 1/04/2005       | 13.79         | -6.69         | 25.15         | 6.55             | 6.78                     |
| Australian Opportunities                       | 1/11/2004       | 12.05         | -4.92         | 24.07         | 5.68             | 7.49                     |
| Australian Floating Rate                       | 1/07/2007       | 3.65          | -0.62         | 1.26          | 1.49             | 2.81                     |
| International Property Securities – \$A Hedged | 1/04/2005       | -5.06         | -10.87        | 28.23         | -0.35            | 4.00                     |

\* The date the investment portfolio became available.

| Portfolios                                     | Inception date* | 2023<br>% (p.a.) | 2022<br>% (p.a.) | 2021<br>% (p.a.) | 5 years<br>% (p.a.) | Since<br>inception<br>% (p.a.) |
|--|-----------------|------------------|------------------|------------------|---------------------|--------------------------------|
| Australian Cash                                | 1/07/2003       | 2.34             | -0.02            | -0.01            | 0.86                | 2.62                           |
| Australian Fixed Income                        | 24/11/2017      | 0.90             | -10.15           | -0.48            | 0.13                | 0.25                           |
| Global Fixed Income - \$A Hedged               | 24/11/2017      | -2.98            | -10.21           | 0.58             | -0.39               | -0.33                          |
| Global Opportunities - \$A Hedged              | 24/11/2017      | 12.63            | -12.17           | 34.41            | 5.77                | 5.24                           |
| Global Opportunities                           | 1/04/2005       | 17.25            | -6.95            | 27.35            | 8.60                | 7.07                           |
| Emerging Markets                               | 24/11/2017      | 2.99             | -16.90           | 26.41            | 1.38                | 0.63                           |
| Responsible Australian Shares                  | 1/07/2008       | 14.03            | -11.17           | 23.41            | 5.17                | 5.71                           |
| Responsible Global Shares                      | 24/11/2017      | 17.50            | -8.02            | 23.48            | 9.26                | 8.85                           |
| Third-Party Indexed Australian Shares          | 24/11/2017      | 13.89            | -4.43            | 23.68            | 6.98                | 7.17                           |
| Third-Party Indexed Global Shares              | 24/11/2017      | 20.17            | -4.94            | 23.88            | 10.52               | 10.56                          |
| Third-Party Indexed Global Shares - \$A Hedged | 24/11/2017      | 13.75            | -9.43            | 30.96            | 7.40                | 7.10                           |

\* The date the investment portfolio became available.

## Term Allocated Pension (TAP)

| Portfolios                               | Inception date* | 2023<br>% (p.a.) | 2022<br>% (p.a.) | 2021<br>% (p.a.) | 2020<br>% (p.a.) | 2019<br>% (p.a.) | 5 years<br>% (p.a.) | Since<br>inception<br>% (p.a.) |
|--|-----------------|------------------|------------------|------------------|------------------|------------------|---------------------|--------------------------------|
| <b>Diversified Portfolios</b>            |                 |                  |                  |                  |                  |                  |                     |                                |
| Defensive                                | 1/09/2004       | 6.20             | -5.64            | 10.14            | 0.02             | 6.35             | 3.26                | 4.43                           |
| Diversified 50                           | 1/09/2004       | 7.98             | -6.68            | 15.66            | -1.58            | 7.01             | 4.18                | 4.76                           |
| Balanced Growth                          | 1/07/2008       | 11.32            | -7.12            | 21.46            | -2.73            | 7.38             | 5.58                | 6.52                           |
| Growth                                   | 1/09/2004       | 12.78            | -8.09            | 26.15            | -4.42            | 7.76             | 6.13                | 5.02                           |
| <b>Sector Portfolios</b>                 |                 |                  |                  |                  |                  |                  |                     |                                |
| Australian Cash                          | 24/11/2017      | 2.64             | -0.02            | 0.01             | 0.76             | 1.68             | 1.01                | 1.07                           |
| Australian Opportunities                 | 1/11/2004       | 13.83            | -6.41            | 28.33            | -8.89            | 9.36             | 6.38                | 5.74                           |
| Global Opportunities Option              | 1/07/2007       | 19.47            | -8.61            | 31.18            | -0.06            | 8.76             | 9.26                | 6.94                           |
| Global Opportunities - \$A Hedged Option | 24/11/2017      | 13.33            | -14.12           | 39.84            | -3.41            | 3.32             | 6.32                | 5.75                           |

\* The date the investment portfolio became available.

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# Trustee information

Russell Investments Master Trust (the Fund) is managed by a professional Trustee company called Total Risk Management Pty Ltd (TRM) (ABN 62 008 644 353). The Fund is also called iQ Super and its retirement product is called iQ Retirement. Resource Super and Nationwide Super are also divisions of the Fund.

TRM holds a Registrable Superannuation Entity (RSE) licence from APRA. TRM has appointed Russell Investments Employee Benefits Pty Ltd, a related company, to provide member services and manage the day-to-day administration operations of the Fund.

TRM has appointed Russell Investment Management Ltd, a related company, to manage the Fund's investments, including the selection of all the underlying investment managers that invest the Fund's money in each of the investment choices.

TRM has appointed Russell Investments Financial Solutions Pty Ltd, a related company, to provide the generic financial calculator (MyTracker) and the GoalTracker™ Plus limited personal financial product advice.

## Trustee directors

To the year ended 30 June 2023, there were six (6) Trustee Directors of TRM. Relevant details of the directors are as follows:

**James (Jim) O'Connor** has a Bachelor of Arts (Actuarial Studies) from the Macquarie University, Master of Business Administration from the University of Geneva / International Management Institute, and a Master of Commerce (Finance) from the University of NSW. Prior to his appointment as a director of TRM, Jim was the Plan Secretary for the Westpac Staff Superannuation Plan. Jim became the chair of TRM from 1 September 2018. Prior to this Jim was the chair of the Remuneration Committee and the Audit, Risk and Compliance Committee.

**Luan Atkinson** joined the Board on 12 July 2021. Luan has a Master of Laws/Internal Tax Program Certificate from Harvard Law School, a Bachelor of Laws/Bachelor of Commerce from the University of Western Australia, is a Graduate of the Australian Institute of Company Directors and was a CFA Charterholder. Luan has more than 20 years' experience in the funds management industry. She was previously a co-founder and COO of SouthPeak Investment Management, a systematic fund manager investing across asset classes and global markets. She has also worked at Deutsche Bank, Perpetual Limited and McKinsey & Company.

*\*Luan Atkinson resigned from the TRM Board effective 15 August 2023.*

**Magali Azema- Barac** joined the Board on 12 July 2021. Magali has a PhD in Artificial Intelligence from University College London; she is a CFA Charterholder and a Graduate of the Australian Institute of Company Directors. Magali has had an international career across financial organisations and has considerable investment experience gained at PineBridge in Australia, American General in the US, and Warburg in the UK.

**Alexis Dodwell** has a Bachelor of Laws, Bachelor of Economics, and Graduate Diploma in Applied Corporate Governance and has completed the Director Course at the Australian Institute of Company Directors. Alexis is a risk, compliance, and corporate governance specialist, having worked in the financial services industry for over 20 years most recently at Perpetual Limited and the Commonwealth Bank of Australia. Alexis became the chair of the Remuneration Committee and the Audit, Risk and Compliance Committee from 1 September 2018.

**Keith Knapman** joined the Board on 1 June 2020. Keith has a Bachelor of Arts from Macquarie University and is a Fellow of the Institute of Actuaries of Australia. Keith has more than 30 years' experience in the superannuation investment industry with extensive experience in all aspects of investment and actuarial consulting including funding, insurance and compliance advice, liability driven investment solutions, and benefit redesigns including defined benefits to defined contribution conversions, successor fund transfers and transfers resulting from mergers and acquisitions.

**Patricia Montague** joined the Board on 1 October 2020. Patricia has a Bachelor of Arts (Pure Mathematics and Economics) from Queens University of Belfast and has undertaken additional education through institutions including Harvard Business School, LUMA Institute Pittsburgh, and the Australian Institute of Company Directors. Patricia has a diverse career in growing and transforming

financial services through customer-first strategies and has considerable member services experience, gained at CBA, AMP and BT Financial Group. She is passionate about the role financial services plays in supporting the Australian economy and its people and the need for financial services companies to have a relentless focus on their customers.

### Indemnity insurance

The Trustee has maintained Trustee indemnity insurance.

### Advisers to the Trustee

The Trustee has appointed the following service providers to assist with the management of the Russell Investments Master Trust.

|   |   |
|---|---|
| <b>Administration, actuary and superannuation consultant:</b> | Russell Investments Employee Benefits Pty Ltd |
| <b>Auditor:</b>   | PricewaterhouseCoopers                        |
| <b>Tax adviser:</b>   | PricewaterhouseCoopers                        |
| <b>Investment manager:</b>                                    | Russell Investment Management Ltd             |
| <b>Custodian:</b>   | State Street Australia Limited                |

### Policy Committee

If you are an iQ Super – Employer member, Resource Super – Employer member or Nationwide Super member, your interests may be further represented by a Policy Committee. You should refer to the Your Super Plan insert which is available in your online member account at [russellinvestments.com.au/login](https://russellinvestments.com.au/login) for details of your Policy Committee.

### If you have an enquiry or complaint

Russell Investments Master Trust has a formal procedure to deal with complaints from members. If you have any enquiry regarding your benefits, the Fund in general or on any information raised in this report, or if you wish to make a complaint, please contact us at:

#### Russell Investments Master Trust

Phone: 1800 555 667

Mail: The Complaints Officer  
iQ Super by Russell Investments  
Locked Bag A4094 Sydney South NSW 1235

Email: [RIMTcomplaints@russellinvestments.com.au](mailto:RIMTcomplaints@russellinvestments.com.au)

Depending on the nature of your complaint, we may ask you to provide further information in writing, so that we can fully understand the complaint. We will provide assistance to you if necessary. Our goal is to handle your complaint efficiently and fairly and we will provide the Trustee's decision as quickly as possible. We generally aim to have complaints resolved within 45 days.

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However, if your complaint relates to a death claim or to a declined disablement claim, it may take some time to gather all the information necessary to enable the complaint to be properly considered. You can obtain advice in relation to the complaints handling process or feedback on the status of your complaint by calling us.

If your complaint is not resolved by our internal complaints process or if you are not satisfied with our response to your complaint, you can take the matter to the Australian Financial Complaints Authority (AFCA). AFCA can be contacted at:

**Australian Financial Complaints Authority (AFCA)**

Mail: GPO Box 3 Melbourne VIC 3001

Phone: 1800 931 678

Email: [info@afca.org.au](mailto:info@afca.org.au)

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# Other important information

## Policy on derivatives

Russell Investment Management Ltd as well as some of the underlying investment managers appointed by Russell Investment Management Ltd are permitted to use derivatives (subject to explicit guidelines outlined in the relevant investment management agreements).

The main objective of using derivatives is to more efficiently manage the assets of the underlying funds. The underlying investment managers are required to ensure that the underlying funds are not leveraged. Cash, cash equivalents or physical securities are held to cover net derivative positions entered into.

## Reserves

The Fund maintains an Administration Reserve which is invested in the Fund's bank account and an Operational Risk Reserve (ORR) which is managed and invested in accordance with the Trustee's ORFR Strategy.

The Fund maintains other reserves, including a Tax & Investment Provision, an Insurance Provision and an Expense Provision, which are grouped under "Other Reserves" in the Financials. These amounts are set aside to meet specific obligations of the Fund and are used to track the timing differences between deductions and amounts paid. These are invested in the Fund's bank account.

The values of these Reserves are shown on the Financials page of this report.

## Employer sub-plan assets (including defined benefit assets)

The Fund maintains assets for numerous employer sub-plans and these are generally to support defined benefit liabilities. The employer sub-plan assets are invested according to the Fund's Investment Policy Statement.

## What happens when you leave your employer?

Leaving your job will usually bring significant change to your life. One thing that won't need to change is the super fund you're with. Russell Investments Master Trust is designed to go everywhere with you, right through your working life and beyond into your retirement years – so you will only ever need one superannuation account.

After you leave your current employer, depending on what division you are in, we may be required to transfer your account to a new division. Refer to the below table to see what happens when you leave your employer. If you are transferred to another division, your member number and password remain the same, so you can continue to transact (make contributions, update your details) on your account. When we have received the final contributions from your employer, we will finalise your benefit and close your Employer account and transfer it to your new account. The features and fees of your new account are contained in its Product Disclosure Statement (PDS) which is available from our website. The link to the PDS will be issued when the new account is opened for you.

| Division                                   | What happens to my account balance?       | Changes and link to PDS  |
|--|---|--|
| iQ Super – For Life                        | No change.                                | <a href="https://russellinvestments.com.au/iqsuperforlifepds">russellinvestments.com.au/iqsuperforlifepds</a>  |
| iQ Super – Employer                        | It is transferred to iQ Super – For Life. | <a href="https://russellinvestments.com.au/iqsuperforlifepds">russellinvestments.com.au/iqsuperforlifepds</a> <ul style="list-style-type: none"> <li>Your existing level of insurance cover may continue under a different insurance arrangement in iQ Super – for Life.</li> <li>Insurance cover is backdated to the day after you ceased employment.</li> <li>If your employer subsidised your insurance cover, <b>you will now be responsible for paying the insurance fees.</b></li> <li>Refer to the online PDS and Insurance, Fees and Costs Guide for more information related to the transfer of benefits.</li> </ul>  |
| iQ Super – Business                        | It is transferred to iQ Super – For Life. | <a href="https://russellinvestments.com.au/iqsuperforlifepds">russellinvestments.com.au/iqsuperforlifepds</a> <ul style="list-style-type: none"> <li>Your existing level of insurance cover may continue in iQ Super – For Life with no change except income protection benefits remain at a fixed dollar amount.</li> <li>If you wish to increase your existing Income Protection cover to reflect future salary increases, you will need to apply to the insurer and provide evidence of your health.</li> <li>If your employer subsidised your insurance cover, <b>you will now be responsible for paying the insurance fees.</b></li> <li>Refer to the online PDS and Insurance, Fees and Costs Guide for more information related to the transfer of benefits.</li> </ul> |
| iQ Super – Employer Divisions Two or Three | It is transferred to iQ Super – Retained. | <a href="https://russellinvestments.com.au/iqsuperretainedpds">russellinvestments.com.au/iqsuperretainedpds</a> <ul style="list-style-type: none"> <li>Your existing insurance cover may be fixed and continue under a different insurance arrangement within iQ Super – Retained.</li> <li>If your employer subsidised your insurance cover, <b>you will now be responsible for paying the insurance fees.</b></li> <li>Refer to the online PDS and Insurance, Fees and Costs Guide for more information related to the transfer of benefits.</li> </ul>  |

| Division                  | What happens to my account balance?            | Changes and link to PDS   |
|---------------------------|--|---|
| Resource Super – Employer | It is transferred to Resource Super – General. | <a href="https://russellinvestments.com.au/resourcesuper">russellinvestments.com.au/resourcesuper</a> <ul style="list-style-type: none"> <li>Your existing level of insurance cover may continue in Resource Super – General with no change except income protection benefits remain at a fixed dollar amount.</li> <li>If you wish to increase your existing Income Protection cover to reflect future salary increases, you will need to apply to the insurer and provide evidence of your health.</li> <li>If your employer subsidised your insurance cover, <b>you will now be responsible for paying the insurance fees.</b></li> <li>Refer to the online PDS and Insurance, Fees and Costs Guide for more information related to the transfer of benefits.</li> </ul> |
| Resource Super – General  | No change.                                     | <a href="https://russellinvestments.com.au/resourcesuper">russellinvestments.com.au/resourcesuper</a>   |
| Nationwide Super          | No change.                                     | <a href="https://nationwidesuper.com.au/pds">nationwidesuper.com.au/pds</a>   |

### Fees and Charges

Fees and charges are documented in the Product Disclosure Statement (PDS). When you leave your employer, all fees are met by you, including any fees that were previously met by your employer.

### Your Investments: Accumulation Members

When you leave your employer, there will be no change to the way your benefit is invested – it will continue to be invested in the investment option(s) applicable to your accumulation account on the day your benefit is transferred to your new account. You can change your investment option(s) at any time, both before and after your benefit is transferred. If you wish to change your investment option(s) please log in to your online account or call us.

### Your Investments: Defined Benefit Members

When the Fund receives notification from your employer of your termination of employment (and this may be quite some time after your termination date), your defined benefit will be calculated as at your termination date. This amount will be treated as having been invested in the Australian Cash Portfolio or your defined benefit division crediting rate. Upon transfer to your new account, this amount will be invested in the Australian Cash Portfolio, until you make an investment choice after the transfer. Your termination of employment will have no impact on the investment of your investment choice accounts – these will continue to be invested in the same investment option(s). Where you have not made an investment choice, your investment choice accounts will be invested in the GoalTracker option. You can change the investment option(s) of your investment choice accounts at any time, both before and after your benefit is transferred.

If you wish to change your investment option(s) you can go online at [russellinvestments.com.au/login](https://russellinvestments.com.au/login) or call us on 1800 555 667.

If, following termination of your employment, you choose to have your benefit paid from the Fund (either in cash or to another superannuation fund) you can still change how your benefit is invested at any time (other than any defined benefit component), right up to the date of payment from the Fund (remembering that an investment switch takes 3 business days to process).

### Your Insurance Coverage when you leave your employer

For members who have transferred from another division of the Fund where you previously held insurance cover. You may be eligible to maintain your existing cover, but there are exceptions. If you

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have an account balance of less than \$6,000 or you are under 25 when your benefit is transferred and you have not previously confirmed you wish to start your automatic cover or keep cover your employer was paying for, you will need to apply/opt in for cover. To opt in to insurance, please log in to your online account or complete and return the Insurance Opt-in Form (available on our website or call us for a copy).

Your similar replacement cover will start from the day after you cease employment, even though we are notified of your termination of employment later. This ensures you have no gap in insurance cover. When this occurs, any arrears of your insurance premiums will be deducted at the time of the next monthly fee deduction, which is on the last Friday of the month. In the event that your balance reaches nil, your account will be closed and any insurance cover you have will cease.

You can cancel your insurance cover at any time using the Insurance Form and your cancellation will be effective from the date we process your request.

For all divisions excluding transfers from iQ Super - Employer Division Two and Three, your replacement Death Only or Death and TPD cover will be issued as the minimum whole number of units of Death Only or Death & TPD cover in your new account, required to provide at least the same amount of cover you held in your previous account on the last day of employment. If you had fixed Death Only or Death and TPD cover in your previous account, your fixed cover will continue in your new account. For transfers from iQ Super - Employer Division Two and Three, your existing insurance cover will be fixed and continue under a different insurance arrangement within iQ Super – Retained

Please refer to the online PDS and Insurance, Fees and Costs Guide for more information related to the transfer of benefits.

### **Temporary resident**

If you are a temporary resident of Australia (excluding New Zealand citizens), have left Australia and your visa has expired or been cancelled you may be eligible for a Departing Australia Superannuation Payment (DASP) from the Fund. The DASP is a payment of the superannuation money held in the Fund for you and is subject to specific taxation when it is paid. You can apply online via the Australian Taxation Office (ATO) website at [ato.gov.au/individuals/super](https://ato.gov.au/individuals/super). When applying online, the ATO can confirm your immigration status free of charge. Alternatively, you can also apply using a paper form available from the ATO website.

If you do not claim your benefit from the Fund within six months of leaving Australia and the expiration/cancellation of your visa, the Fund will be requested to pay it to the ATO who will hold your benefit until you claim it. The Trustee relies on ASIC relief and is not required to notify or give an exit statement to a non-resident where unclaimed superannuation must be paid to the Commissioner of Taxation. Once transferred, you will need to contact the ATO to claim your benefit.

### **Superannuation Surcharge**

This surcharge was abolished from 1 July 2005; however surcharge amounts may have been advised by the ATO and deducted from members' accounts during the previous financial year.

TRM as the Trustee is responsible for the collection and the remittance of these amounts to the ATO and will deduct any surcharge payable from your account.

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## More information

You can request copies of the following documents by calling us or by downloading copies, where available, from our website:

- information on iQ Super by Russell Investments
- information on the iQ Retirement by Russell Investments
- information on Nationwide Super
- information on Resource Super
- the Rules of the Fund
- extracts of relevant actuarial reports
- the Fund's financial statements and auditor's report.

# Financials

Russell Investments Master Trust's abridged audited accounts for the year ending 30 June 2023 are shown in the table below. You can obtain a copy of the complete accounts and the auditor's report by contacting us.

| Statement of Financial Position for the year ending 30 June | 2023<br>(\$'000)    | 2022<br>(\$'000)   |
|---|---------------------|--------------------|
| Cash and cash equivalents                                   | 633,079             | 634,966            |
| Receivables and other assets                                | 10,996              | 7,570              |
| Financial assets held at fair value through profit or loss* | 9,568,319           | 8,848,621          |
| Deferred tax assets   | 5,467               | 11,037             |
| <b>Total assets</b>   | <b>10,217,861</b>   | <b>9,502,193</b>   |
| <b>Liabilities</b>  |                     |                    |
| Benefits payable  | (128)               | (128)              |
| Payables  | (17,395)            | (14,679)           |
| Income tax payable  | (10,070)            | (10,049)           |
| Deferred tax liabilities                                    | (22)                | (4)                |
| <b>Total liabilities excluding member benefits</b>          | <b>(27,615)</b>     | <b>(24,861)</b>    |
| <b>Net assets available for member benefits</b>             | <b>10,190,246</b>   | <b>9,477,332</b>   |
| <b>Member benefits</b>                                      |                     |                    |
| Defined contribution member liabilities                     | (9,381,332)         | (8,623,376)        |
| Defined benefit member liabilities                          | (695,206)           | (743,055)          |
| Unallocated to defined contribution members                 | (314)               | (551)              |
| <b>Total member liabilities</b>                             | <b>(10,076,852)</b> | <b>(9,366,982)</b> |
| <b>Net assets</b>   | <b>113,394</b>      | <b>110,350</b>     |
| <b>Equity</b>   |                     |                    |
| Administration reserve                                      | 8,916               | 8,808              |
| Operational risk reserve                                    | 26,924              | 23,999             |
| Other reserves  | 5,372               | 12,862             |
| Defined benefits that are over funded                       | 72,182              | 64,681             |
| <b>Total equity</b>   | <b>113,394</b>      | <b>110,350</b>     |

\* The 'Russell Investments PST' & 'Russell Investments Australian Cash Fund' investment vehicles comprise more than 5% of the Russell Investments Master Trust assets.

| Income Statement for the year ending 30 June                          | 2023<br>(\$'000) | 2022<br>(\$'000) |
|---|------------------|------------------|
| <b>Superannuation activities</b>                                      |                  |                  |
| Interest  | 1,123            | 83               |
| Distributions from unit trusts  | 80,448           | 41,718           |
| Changes in assets measured at fair value                              | 891,050          | (592,092)        |
| Other investment income   | 5,693            | 7,134            |
| Other income  | 414              | (18)             |
| <b>Total revenue</b>  | <b>978,728</b>   | <b>(543,175)</b> |
| Administration expenses   | (21,823)         | (21,809)         |
| Operating expenses  | (613)            | (920)            |
| Investment expenses   | (5,337)          | (5,535)          |
| Insurance premiums  | (1,155)          | (953)            |
| <b>Total expenses</b>   | <b>(28,928)</b>  | <b>(29,217)</b>  |
| <b>Profit/(loss) from superannuation activities before income tax</b> | <b>949,800</b>   | <b>(572,392)</b> |
| Income tax expense/(benefit)  | 912              | (16,930)         |
| <b>Profit/(loss) after income tax</b>                                 | <b>948,888</b>   | <b>(555,462)</b> |
| <b>Operating results</b>  | <b>948,888</b>   | <b>(555,462)</b> |
| Net benefits allocated to defined contribution member accounts        | (898,145)        | 514,867          |
| Net change in defined benefit member liabilities                      | (47,699)         | (3,374)          |
| <b>Profit/(Loss) after income tax</b>                                 | <b>3,044</b>     | <b>(43,969)</b>  |

| Statement of Changes In Member Benefits for the year ending 30 June 2023 | DC Members (\$'000) | DB Members (\$'000) | Total (\$'000)    |
|--|---------------------|---------------------|-------------------|
| <b>Opening balance as at 1 July 2022</b>                                 | <b>8,623,927</b>    | <b>743,055</b>      | <b>9,366,982</b>  |
| <b>Contributions</b>   |                     |                     |                   |
| Employer   | 443,666             | 20,919              | 464,585           |
| Member   | 38,055              | 1,575               | 39,630            |
| Transfer from other superannuation plans                                 | 112,468             | -                   | 112,468           |
| Successor Fund Transfer Ins  | 14,826              | -                   | 14,826            |
| Government co-contributions  | 280                 | -                   | 280               |
| Income tax on contributions  | (69,017)            | (2,373)             | (71,390)          |
| <b>Net after tax contributions</b>                                       | <b>540,278</b>      | <b>20,121</b>       | <b>560,399</b>    |
|  |                     |                     |                   |
| Benefits to members/beneficiaries  | (680,194)           | (112,812)           | (793,006)         |
| Insurance premiums charged to members' accounts                          | (20,209)            | (2,857)             | (23,066)          |
| Death and disability insurance benefits credited to members' accounts    | 19,699              | -                   | 19,699            |
| <b>Net Benefits allocated to members' accounts, comprising:</b>          |                     |                     |                   |
| Net investment income  | 911,382             | 55,716              | 967,098           |
| Administration fees  | (13,237)            | (649)               | (13,886)          |
| Net change in DB member benefits   | -                   | (7,368)             | (7,368)           |
| <b>Closing balance as at 30 June 2023</b>                                | <b>9,381,646</b>    | <b>695,206</b>      | <b>10,076,852</b> |

| Statement of Changes In Member Benefits for the year ending 30 June 2022 | DC Members (\$'000) | DB Members (\$'000) | Total (\$'000)    |
|--|---------------------|---------------------|-------------------|
| <b>Opening balance as at 1 July 2021</b>                                 | <b>9,346,017</b>    | <b>822,054</b>      | <b>10,168,071</b> |
| <b>Contributions</b>   |                     |                     |                   |
| Employer   | 408,771             | 25,133              | 433,904           |
| Member   | 45,848              | 1,109               | 46,957            |
| Transfer from other superannuation plans                                 | 131,704             | -                   | 131,704           |
| Successor Fund Transfer Ins  | -                   | 61                  | 61                |
| Government co-contributions  | 302                 | -                   | 302               |
| Income tax on contributions  | (63,153)            | (2,494)             | (65,647)          |
| <b>Net after tax contributions</b>                                       | <b>523,472</b>      | <b>23,809</b>       | <b>547,281</b>    |
|  |                     |                     |                   |
| Benefits to members/beneficiaries  | (726,035)           | (98,575)            | (824,610)         |
| Insurance premiums charged to members' accounts                          | (19,326)            | (7,607)             | (26,933)          |
| Death and disability insurance benefits credited to members' accounts    | 14,666              |                     | 14,666            |
| <b>Net Benefits allocated to members' accounts, comprising:</b>          |                     |                     |                   |
| Net investment income  | (501,099)           | (41,567)            | (542,666)         |
| Administration fees  | (13,768)            | (824)               | (14,592)          |
| Net change in DB member benefits   |                     | 45,765              | 45,765            |
| <b>Closing balance as at 30 June 2022</b>                                | <b>8,623,927</b>    | <b>743,055</b>      | <b>9,366,982</b>  |

## Movement in Reserves

|                                 | 2023 (\$'000) | 2022 (\$'000) | 2021 (\$'000) |
|---------------------------------|---------------|---------------|---------------|
| <b>Operational Risk Reserve</b> | 26,924        | 23,999        | 26,469        |
| <b>Administration Reserve</b>   | 8,916         | 8,808         | 3,788         |
| <b>Other Reserves</b>           | 5,372         | 12,862        | 13,927        |
| <b>Total</b>                    | <b>41,212</b> | <b>45,669</b> | <b>44,184</b> |

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