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STATE SUPERANNUATION ACT 2000

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## TREASURER'S PRUDENTIAL GUIDELINES FOR INVESTMENTS

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AUGUST 2021



**STATE SUPERANNUATION ACT 2000****TREASURER'S PRUDENTIAL GUIDELINES FOR INVESTMENTS****CONTENTS**

- 1. General
  - 2. Kinds of Investments
  - 3. Revision of Guidelines
  - 4. Effective Date
  - Appendix A: Legislative requirements
  - Appendix B: Investment objectives and Asset Allocation
  - Appendix C: Reporting
- 

**1. GENERAL****1.1 Context**

1.1.1 This document sets out the Treasurer's Prudential Guidelines for Investments (the "Guidelines"). These Guidelines have been issued by the Treasurer of Western Australia ("the Treasurer") to the Government Employees Superannuation Board ("the Board") and apply to the Government Employees Superannuation ("GES") Fund.

1.1.2 The GES Fund consists of the assets of the following schemes (and for the avoidance of doubt, includes assets held in any reserves maintained by the Board within these schemes)—

- Gold State Super ("GSS");
- Pension Scheme and Provident Account (together, "Pension Schemes");
- Retirement Income ("RI");
- Retirement Income Term Allocated Pension ("RI-TAP");
- Transition to Retirement ("TTR");
- West State Super ("WSS"); and
- GESB Super.

**1.2 Framework*****Legislative requirements***

1.2.1 Section 18 of the State Superannuation Act 2000 ("SS Act") provides the power for the Board to invest the assets of the GES Fund.

1.2.2 The relevant sections of the Act are provided in Appendix A.

**1.3 Roles and Responsibilities*****Treasurer***

1.3.1 The Treasurer has three key roles with respect to the GES Fund and its schemes—

- (a) Employer sponsor;
- (b) Prudential regulator; and
- (c) Guarantor.

1.3.2 In fulfilling these roles, the Treasurer is responsible for approving—

- (a) Investment objectives, which are recommended by the Board;
- (b) Strategic asset allocation and ranges ("asset allocation"), which are recommended by the Board; and
- (c) The appointment of external investment managers, which are recommended by the Board.

1.3.3 The responsibility for determining strategic asset allocations consistent with approved investment objectives may be delegated to the Board.

***Board***

1.3.4 The Board's role is to manage the GES Fund and administer the schemes.

1.3.5 The Board is responsible for—

- (a) recommending investment objectives for each scheme within the GES Fund;

- (b) formulating an investment strategy to achieve the agreed investment objectives and which is in accordance with the Guidelines;
- (c) recommending to the Treasurer, external investment managers to manage the assets of the GES Fund;
- (d) terminating external investment managers as required.

#### **1.4 Investment Objectives and Asset Allocation**

1.4.1 The investment objectives and asset allocation for the various scheme investment plans are set out in Appendix B.

1.4.2 From time-to-time the Board may recommend revised investment objectives and/or asset allocation for approval by the Treasurer and incorporation into these Guidelines.

1.4.3 In determining the investment objectives and asset allocation the Board will consider the following factors as a minimum—

- (a) nature and timing of the schemes' liabilities;
- (b) risk of capital or income loss or depreciation;
- (c) effect on the tax liability and after tax return of the portfolio (where relevant);
- (d) expected investment returns net of costs (including commissions, fees, charges and duties payable);
- (e) diversification;
- (f) liquidity; and
- (g) reputation risks to both the GES Fund and the Government of Western Australia.

1.4.4 The Board will provide the necessary information to support any recommendations and the Treasurer will promptly notify the Board of any concerns.

1.4.5 The Board must take independent advice on asset allocation on a regular basis.

1.4.6 In measuring the actual asset allocations, the exposure to each asset class is to be inclusive of derivative exposures.

#### **1.5 Approved Investments**

1.5.1 For the purpose of section 18(1) of the SS Act, the Treasurer has approved the Kinds of Investments described in section 2 of these Guidelines.

#### **1.6 Internal Investment Management**

1.6.1 The Board may provide for an employee of the Board to act as an investment manager in Cash investments as defined in section 2.

1.6.2 For the internal management of investments other than Cash, the Board shall consult with the Treasurer for approval.

#### **1.7 External Investment Management**

##### ***Selection of External Investment Managers***

1.7.1 The Treasurer is responsible for approving external managers.

1.7.2 The Board will recommend investment managers to the Treasurer, and will provide the Treasurer with the recommended terms and conditions of the appointment together with any other documentation that the Treasurer may require, prior to the time of appointment.

1.7.3 The investment management arrangements may take the form of an appointment of an investment manager under an investment management agreement or an investment in a collective investment vehicle managed by an investment manager.

1.7.4 The Board is responsible for ensuring compliance of all external investment managers with section 2 of the Guidelines.

1.7.5 The Board shall maintain a program to monitor, on at least a quarterly basis, the performance of each external investment manager.

##### ***Terminating External Investment Managers***

1.7.6 The Board is responsible for terminating external investment managers for the GES Fund.

1.7.7 The Board will inform the Treasurer of any external investment manager terminations as part of its regular reporting (at least quarterly) as outlined in Appendix C.

#### **1.8 Corporate Governance**

1.8.1 The Board will maintain a Conflicts of Interest policy and provide a copy of this policy to the Treasurer upon request.

1.8.2 The Board will maintain a policy to apply to proxy voting and corporate actions (which may form part of the Board's Investment Policy Statement) and provide a copy of this policy to the Treasurer upon request.

#### **1.9 Liquidity**

1.9.1 The Board is responsible for maintaining a Liquidity Policy with the objective of meeting cash flow requirements and ensuring the desired asset allocation for each scheme investment plan can be implemented.

**1.10 Reporting**

1.10.1 The Board shall provide the Treasurer, on a regular basis, but at least quarterly, a report covering the investments in the various schemes' investment plans.

1.10.2 The minimum information required by the Treasurer to be included in this report is set out in Appendix C.

**1.11 Securities Lending**

1.11.1 The Board will maintain a Securities Lending Policy and provide a copy of this policy to the Treasurer upon request.

**1.12 Revision**

1.12.1 At least annually, the Board will review these Guidelines and make any recommendations to the Treasurer as it considers appropriate.

1.12.2 At such times as is deemed necessary, the Treasurer shall also review these Guidelines and make any changes which the Treasurer considers appropriate.

1.12.3 The Treasurer will consult with the Board prior to making any changes to these Guidelines.

**1.13 Effective Date**

1.13.1 These Guidelines shall be effective from the date of approval by the Treasurer.

**2. KINDS OF INVESTMENTS****2.1 General**

2.1.1 The purpose of this section of the Guidelines is to set out the general characteristics of the Kinds of Investments in which the Board may invest. Within each kind of investment, investments may also be made in Cash (both AUD and non-AUD denominated) to facilitate portfolio liquidity.

2.1.2 The Fund shall not be leveraged and the maximum capital at risk for all investments is limited to the agreed committed investment.

**2.2 Cash**

2.2.1 Cash will typically comprise securities with—

- (a) very high probability of capital preservation;
- (b) short maturity profile of no more than 13 months and average maturity profile of up to seven (7) months with limited interest rate risk; and
- (c) AUD denominated.

2.2.2 Cash assets may contain derivative exposure e.g. bank bill futures.

**2.3 Investment Grade Bonds**

2.3.1 Investment Grade Bonds include fixed, floating and inflation-linked debt instruments typically issued by or guaranteed by issuers with a high credit rating.

2.3.2 Securities will be rated at least BBB- by Standard and Poor's (S&P) (or equivalent) at the time of purchase. In the event of a security rating being downgraded below BBB-, the Board has the flexibility to maintain the security for a period of up to six (6) months in order to restructure the portfolio.

2.3.3 The portfolio may contain derivatives exposure, e.g. derivatives which relate to foreign exchange, interest rates and credit.

**2.4 Defensive Alternatives**

2.4.1 Includes investment strategies that are designed to—

- (a) Diversify away from listed equity and interest rate risk factors; and
- (b) Exhibit low risk characteristics, that is, generally expected to have volatility similar to, or lower than, Investment Grade Bonds.

2.4.2 Includes assets contained within strategies such as—

- (a) Global Tactical Asset Allocation strategies;
- (b) Hedge funds;
- (c) Long/Short Equity;
- (d) Active currency;
- (e) Absolute Return strategies;
- (f) Fixed income strategies with less interest rate exposure than the Investment Grade Bonds portfolio.

2.4.3 The portfolio may have exposure to a wide range of derivatives.

2.4.4 Fixed income strategies may include fixed, floating and inflation-linked debt instruments. The net notional value of all below investment grade fixed income exposures will not exceed 15% of the value of the portfolio. Below investment grade exposures include below investment grade fixed income securities and derivatives of below investment grade securities, markets or indices.

**2.5 Australian Equities**

2.5.1 Comprises exposure to equity instruments of entities listed (or expected to be listed within a reasonable timeframe) on an Australian stock market.

2.5.2 Investments may include long/short equity funds and exposure to equity instruments of corporations listed on an Australian stock market which have an alternative listing on a recognised overseas stock exchange.

2.5.3 Investments may also include equity instruments that were listed on an Australian stock market, at the time of investment, that subsequently delist.

2.5.4 The portfolio may contain derivatives exposure, e.g. derivatives which relate to foreign exchange, stocks or stock markets.

## **2.6 International Equities**

2.6.1 Comprises exposure to equity instruments of entities listed (or expected to be listed within a reasonable timeframe) on a developed or developing country's public stock exchange.

2.6.2 Investments may include long/short equity funds.

2.6.3 Investments may also include equity instruments that were listed on a public stock exchange at the time of investment, that subsequently delist.

2.6.4 The portfolio may contain derivatives exposure, e.g. derivatives may be used to hedge foreign exchange and currency exposure.

## **2.7 Private Equity**

2.7.1 Equity, debt or other ownership rights to companies and properties in Australia and overseas that are typically not listed on a stock exchange.

2.7.2 The portfolio may contain derivatives exposure, e.g. derivatives may be used to hedge foreign exchange and currency exposure.

2.7.3 The Board may recommend to the Treasurer the establishment of wholly owned unit trusts (i.e. unit trusts whereby the Board is the sole investor) for the management of the Private Equity Kinds of Investments. Such unit trusts would require the appointment of both a trustee and an external investment manager. For the avoidance of doubt, the trustee and external investment manager can be separate entities (though are not required to be separate).

2.7.4 The Treasurer is responsible for approving the establishment of the unit trust, the appointment of the trustee and the appointment of the external manager, following advice from the Board. The same requirements apply for the appointment of a trustee as is the case for the appointment of an external investment manager.

2.7.5 The appointed Private Equity external investment manager may invest in collective investment vehicles managed by other investment managers. These investment managers do not require the approval of the Treasurer but will be reported on in accordance with section 1.5 of Appendix C.

## **2.8 Property**

2.8.1 Investments in Real Estate Investment Trusts (REITs) listed on an Australian or overseas stock exchange, or other such listed securities which derive their income predominantly from real property rents, capital growth and property services.

2.8.2 Investments can also include exposure to unlisted, real property funds which derive their income predominantly from real property rents, capital growth and property services.

2.8.3 The portfolio may contain derivatives exposure (e.g. derivatives may be used to hedge foreign exchange and currency exposure).

2.8.4 Debt instruments which have tangible property as the collateral or underlying security can also be included in the Property portfolio.

## **2.9 Infrastructure**

2.9.1 Listed and unlisted equity in physical assets for the delivery, generation and transportation of energy, information, people and products and real property from which services to the community or government are delivered (e.g. airports, ports, roads, utilities, public buildings).

2.9.2 Debt instruments which have tangible infrastructure assets as the underlying security can also be included in the Infrastructure portfolio.

2.9.3 The portfolio may contain derivatives exposure (e.g. derivatives may be used to hedge foreign exchange and currency exposure).

## **2.10 Medium Risk Alternatives**

2.10.1 Includes investment strategies that are designed to—

- (a) Diversify away from listed equity and interest rate risk factors; and
- (b) Exhibit medium risk characteristics, that is, generally expected to have higher volatility than Investment Grade Bonds and lower volatility than equity investments.

2.10.2 Includes assets contained within strategies such as—

- (a) Global Tactical Asset Allocation strategies;
- (b) Hedge funds;
- (c) Managed futures;
- (d) High Yield Debt;
- (e) Long/Short Equity;
- (f) Active currency;
- (g) Insurance linked securities;
- (h) Emerging market debt;

- (i) Private and Distressed debt;
- (j) Absolute Return strategies; and
- (k) Multi-asset class portfolios with objectives linked to cash or CPI.

2.10.3 The portfolio may have exposure to a wide range of derivatives.

### **2.11 Currency Hedging**

2.11.1 Currency hedging may be undertaken at a portfolio level, an asset class level or at a manager level.

2.11.2 Currency hedging arrangements may be effected via cash or cash equivalents and foreign exchange spot transactions and derivative exposures, including foreign exchange, forward foreign exchange contracts, swaps, futures and options.

### **2.12 Asset Allocation Re-balancing**

2.12.1 Changes to asset allocations may be implemented via physical cash flow re-balancing or externally-implemented derivatives overlays.

## **3. REVISION OF GUIDELINES**

**3.1** The Treasurer will review these Guidelines annually.

**3.2** The Board may propose amendments to the Guidelines.

## **4. EFFECTIVE DATE**

**4.1** These Guidelines shall be effective from the date of the Treasurer's Approval.

MARK MCGOWAN MLA, Treasurer.

Date: 13 August 2021.

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## **APPENDIX A: LEGISLATIVE REQUIREMENTS**

### **18. Power to invest**

- (1) The Board may invest the assets of the Fund in any form of investment that is, or is of a kind that is, approved by the Treasurer.
- (3) The Board may—
  - (a) deal with its investments; and
  - (b) deal with or exercise, or choose not to exercise, any rights or obligations that are attendant on ownership of an investment.

### **19. Exercise of Investment Powers**

- (1) The Board is to formulate a strategy for the Fund.
- (2A) The Board's investment strategy for the Fund is to be consistent with any relevant Treasurer's guidelines.
- (2) In formulating its investment strategy the Board is to have regard to all of the circumstances of the Fund including—
  - (a) the need to exercise care and prudence to maintain the integrity of the Fund; and
  - (b) the—
    - (i) nature of; and
    - (ii) potential for capital appreciation and income return from; and
    - (iii) costs associated with making; and
    - (iv) risks associated with,
  - different investments and different kinds of investments; and
  - (c) the desirability of diversifying its investments; and
  - (d) the liquidity of the Fund; and
  - (e) its expected cash flow requirements; and
  - (f) the level of existing and prospective liabilities.
- (3) The Board is to review—
  - (a) its investment strategy; and
  - (b) the management and performance of its investments,from time to time in accordance with any relevant Treasurer's guidelines.
- (4) In exercising its powers under section 18 the Board is to—
  - (a) act in accordance with any relevant Treasurer's guidelines; and
  - (b) act so as to give effect to its investment strategy.

### **23. Investment Manager**

(1) The Board may appoint—

- (a) an employee of the Board; or
- (b) a person approved by the Treasurer,

as an investment manager on terms determined by the Board.

(2) Subject to any relevant Treasurer's guidelines the Board may delegate to an investment manager all or any of its functions under section 18 with respect to all or part of the Fund.

(3) A person is not appointed as an investment manager within the meaning of this section unless the person is appointed for the purpose of enabling the Board to delegate a function to that person under subsection (2).

### **31. Guarantee of Benefits and Board's Obligations**

(1) The Crown—

- (a) guarantees payment of every benefit payable under a scheme; and
- (b) may guarantee the performance by the Board of any of its obligations under this Act on terms determined by the Treasurer.

(2) The payment of money under a guarantee under subsection (1) is to be charged to the Consolidated Account (CA), and the CA is appropriated accordingly.

(3) Any amount received or recovered in respect of any payment made under a guarantee is to be credited to the CA.

## **APPENDIX B: INVESTMENT OBJECTIVES AND ASSET ALLOCATION**

### **1.1 General**

1.1.1 This Appendix sets out the investment objectives and asset allocations for each scheme.

### **1.2 Gold State Super and Pension Schemes**

1.2.1 The investment objectives, strategic asset allocation and ranges of the Gold State Super and Pension Schemes set out below.

<b>Gold State Super and Pension Schemes</b>		
<b>PRIMARY OBJECTIVE</b>	To achieve a return after fees and tax of at least:	Average Weekly Earnings ("AWE") +2.5% p.a. over five-year periods
<b>SECONDARY OBJECTIVE</b>	To achieve a return after fees of at least:	The asset weighted benchmark return over rolling three-year periods
<b>RISK</b>	To limit the probability of the funding index (Assets / Accrued Benefits) being below 100% to:	Less than one in every five years
<b>Strategic Asset Allocation and ranges (%)</b>		
Australian Equities		19 (7-31)
International Equities		36 (24-48)
Private Equity		1 (0-6)
<b>Total "high risk"</b>		<b>56 (45-68)</b>
Property		9 (3-15)
Infrastructure		5 (0-11)
Medium Risk Alternatives		12 (0-24)
<b>Total "medium risk"</b>		<b>26 (14-38)</b>
Investment Grade Bonds		10 (0-22)
Defensive Alternatives		5 (0-17)
Cash		3 (0-23)
<b>Total "Debt-type"</b>		<b>18 (0-42)</b>

### 1.3 Retirement Schemes (RI, RI-TAP, TTR)

1.3.1 The investment objectives, strategic asset allocations and ranges for Retirement Scheme investment plans are set out below.

		Cash	Conservative	Balanced	Growth
<b>PRIMARY OBJECTIVE</b>	To achieve a return of at least:	Bloomberg AusBond Bank Bill index over 12-month periods <sup>1</sup>	CPI+2% p.a. over rolling five-year periods <sup>2</sup>	CPI+3% p.a. over rolling seven-year periods <sup>2</sup>	CPI+4% p.a. over rolling ten-year periods <sup>2</sup>
<b>SECONDARY OBJECTIVE</b>	To achieve a return after investment fees of at least:	N/A	The asset weighted benchmark over rolling three-year periods		
<b>RISK</b>	The estimated number of negative annual returns over any 20-year period is to be less than:	0.5	2	4	6
<b>Strategic Asset Allocation and ranges (%)</b>					
Australian Equities		11 (5-17)	22 (10-34)	32.5 (20.5-44.5)	
International Equities		11 (5-17)	22 (10-34)	32.5 (20.5-44.5)	
Private Equity		0 (0-4)	1 (0-6)	1 (0-6)	
<b>Total “high risk”</b>		<b>22 (16-28)</b>	<b>45 (33-57)</b>	<b>66 (54-78)</b>	
Property		4 (0-10)	6 (0-12)	8 (2-14)	
Infrastructure		4 (0-10)	6 (0-12)	8 (2-14)	
Medium Risk Alternatives		4 (0-10)	6 (0-18)	8 (0-20)	
<b>Total “medium risk”</b>		<b>12 (6-18)</b>	<b>18 (6-30)</b>	<b>24 (12-36)</b>	
Investment Grade Bonds		29 (17-41)	22 (10-34)	8 (0-20)	
Defensive Alternatives		16 (4-28)	10 (0-22)	0 (0-12)	
Cash		100 (100—100)	21 (1-41)	5 (0-25)	2 (0-22)
<b>Total “Debt-type”</b>		<b>100 (100—100)</b>	<b>66 (54-78)</b>	<b>37 (19-55)</b>	<b>10 (0-28)</b>

1. After investment fees and before tax

2. After investment fees and tax

### 1.4 West State Super Scheme

1.4.1 The investment objectives, strategic asset allocations and ranges for West State Super investment plans are set out below

		Cash	Conservative	My West State Super	Growth
<b>PRIMARY OBJECTIVE</b>	To achieve a return of at least:	Bloomberg AusBond Bank Bill index over 12-month periods <sup>1</sup>	CPI+2% p.a. over rolling five-year periods <sup>1</sup>	CPI+3% p.a. over rolling seven-year periods <sup>1</sup>	CPI+4% p.a. over rolling ten-year periods <sup>1</sup>
<b>SECONDARY OBJECTIVE</b>	To achieve a return after investment fees of at least:	N/A	The asset weighted benchmark over rolling three-year periods <sup>1</sup>		

		Cash	Conservative	My West State Super	Growth
RISK	The estimated number of negative annual returns over any 20-year period is to be less than:	0.5	2	4	6
<b>Strategic Asset Allocation and ranges (%)</b>					
Australian Equities		8 (2—14)	15.5 (3.5—27.5)	23.0 (11—35)	
International Equities		14 (8—20)	28.5 (16.5—40.5)	42 (30—54)	
Private Equity		0 (0—4)	1 (0—6)	1 (0—6)	
<b>Total “high risk”</b>		<b>22 (16—28)</b>	<b>45 (33—57)</b>	<b>66 (54—78)</b>	
Property		4 (0—10)	6 (0—12)	8 (2—14)	
Infrastructure		4 (0—10)	6 (0—12)	8 (2—14)	
Medium Risk Alternatives		4 (0—10)	6 (0—18)	8 (0—20)	
<b>Total “medium risk”</b>		<b>12 (6—18)</b>	<b>18 (6—30)</b>	<b>24 (12—36)</b>	
Investment Grade Bonds		29 (17—41)	22 (10—34)	8 (0—20)	
Defensive Alternatives		16 (4—28)	10 (0—22)	0 (0—12)	
Cash	100 (100—100)	21 (1—41)	5 (0—25)	2 (0—22)	
<b>Total “Debt-type”</b>	<b>100 (100—100)</b>	<b>66 (54—78)</b>	<b>37 (19—55)</b>	<b>10 (0—28)</b>	

1. After investment fees

### 1.5 GESB Super Scheme

1.5.1 The investment objectives, strategic asset allocations and ranges for GESB Super Scheme investment plans are set out below.

		Cash	Conservative	Balanced	My GESB Super	Growth
PRIMARY OBJECTIVE	To achieve a return of at least:	Bloomberg AusBond Bank Bill index over 12-month periods <sup>1</sup>	CPI+2% p.a. over rolling five-year periods <sup>2</sup>	CPI+2.5% p.a. over rolling six-year periods <sup>2</sup>	CPI+3% p.a. over rolling seven-year periods <sup>2</sup>	CPI+4% p.a. over rolling ten-year periods <sup>2</sup>
SECONDARY OBJECTIVE	To achieve a return after investment fees of at least:	N/A	The asset weighted benchmark over rolling three-year periods			
RISK	The estimated number of negative annual returns over any 20-year period is to be less than:	0.5	3	4	5	6
<b>Strategic Asset Allocation and ranges (%)</b>						
Australian Equities		12 (6—18)	19 (7—31)	25.5 (13.5—37.5)	31.5 (19.5—43.5)	
International Equities		15 (9—21)	23 (11—35)	31 (19—43)	38.5 (26.5—50.5)	

	Cash	Conservative	Balanced	My GESB Super	Growth
Private Equity		0 (0—4)	1 (0—6)	1 (0—6)	1 (0—6)
<b>Total “high risk”</b>		<b>27 (21—33)</b>	<b>43 (31—55)</b>	<b>57.5 (45.5— 69.5)</b>	<b>71 (59—83)</b>
Property		4 (0—10)	6 (0—12)	8 (2—14)	8 (2—14)
Infrastructure		4 (0—10)	6 (0—12)	8 (2—14)	8 (2—14)
Medium Risk Alternatives		4 (0—10)	6 (0—18)	8 (0—20)	8 (0—20)
<b>Total “medium risk”</b>		<b>12 (6—18)</b>	<b>18 (6—30)</b>	<b>24 (12—36)</b>	<b>24 (12—36)</b>
Investment Grade Bonds		26 (14—38)	24 (12—36)	11 (0—23)	3 (0—15)
Defensive Alternatives		15 (3—27)	10 (0—22)	5.5 (0—17.5)	0 (0—12)
Cash	100 (100—100)	20 (0—40)	5 (0—25)	2 (0—22)	2 (0—22)
<b>Total “Debt-type”</b>	<b>100 (100—100)</b>	<b>61 (49—73)</b>	<b>39 (21—57)</b>	<b>18.5 (0.5— 36.5)</b>	<b>5 (0—23)</b>

1. After investment fees and before tax

2. After investment fees and tax

## 1.6 Reserves

1.6.1 Investment objectives and asset allocations for reserves are to be determined by the Board.

## 1.7 Benchmarks

1.7.1 The benchmarks used to assess the performance of each asset class are to be determined by the Board.

## APPENDIX C: REPORTING

### 1.1 General

1.1.1 This Appendix sets out the minimum information to be provided by the Board in its regular reporting to the Treasurer.

### 1.2 Commentary

1.2.1 A general commentary on the investment activity of the GES Fund as a whole.

### 1.3 Performance

1.3.1 The return of each scheme compared with its primary and secondary return targets as defined by the investment objectives set out in Appendix B.

1.3.2 The return of each of the Board’s asset class investments against the benchmarks set out in Appendix B.

1.3.3 The returns achieved by each investment manager against their benchmarks.

### 1.4 Asset Allocation

1.4.1 The actual asset allocation of each scheme investment plan.

1.4.2 A comparison of the actual asset allocation with the previous quarter and the strategic asset allocation and ranges of the investment scheme.

### 1.5 Manager Composition

1.5.1 Any appointments or terminations of external investment managers.

1.5.2 Any variations made to the Kinds of Investments an approved external investment manager can invest in, including the terms and conditions of the variation.

1.5.3 A list of any changes to underlying collective investment vehicles (and associated investment managers) within the Board’s wholly owned unit trusts.

1.5.4 A list of any changes to the Board’s unlisted property fund investments.

### 1.6 Liquidity

1.6.1 The liquidity profile of each scheme.

### 1.7 Securities Lending

1.7.1 The value of securities lent as at the end of each quarter.

**1.8 Management Fees**

1.8.1 A summary of the investment management fees for each scheme investment plan.

**1.9 Compliance**

1.9.1 The compliance with these Guidelines (or otherwise), both in respect to each external investment manager's portfolio and the GES Fund as a whole.

1.9.2 Details of any breaches of these Guidelines, which have occurred and the proposed actions being implemented to rectify these breaches.

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