

# Member Investment options

## Conservative Growth<sup>#</sup>

### Annual returns at:

30 June 2010	8.76%
30 June 2009	-4.55%
30 June 2008	-0.65%
30 June 2007	11.80%
30 June 2006	10.90%
<b>5 year average**</b>	<b>5.04%</b>

### Investment objectives:

To provide consistent returns with a reduced level of risk. Earnings should exceed inflation by 2% p.a. in three out of four rolling three-year periods.

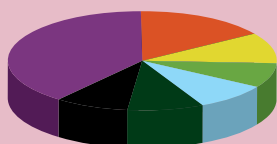
### Investment Strategy:

This option has a balanced asset allocation, with a relatively high exposure to defensive assets.

### Strategic asset allocation

**Growth 34.5% Defensive 65.5%**

■ Australian Equities .....	16.0%
■ International Equities....	10.0%
■ Direct Property .....	8.0%
■ Infrastructure.....	9.0%
■ Australian Fixed Interest..	9.0%
■ International Fixed Interest.	9.0%
■ Cash.....	39.0%



### Type of investor this would suit:

Investors with a time horizon of at least three years, and those whose aim is to achieve consistent returns with reduced levels of risk.

### Suggested investment period:

At least 3 years

### Risk of negative return:

1 in 20 years

### How is the crediting rate calculated:

The Trustee will credit members with the earnings from the underlying investment, net of taxes and investment expenses.

## Balanced Growth (default)<sup>#</sup>

### Annual returns at:

30 June 2010	9.62%
30 June 2009	-14.70%
30 June 2008	-7.12%
30 June 2007	18.00%
30 June 2006	17.60%
<b>5 year average**</b>	<b>3.80%</b>

### Investment objectives:

To obtain higher returns over the long term with a higher level of risk than the conservative growth option. Earnings should exceed inflation by 3% p.a. in three out of four rolling five-year periods.

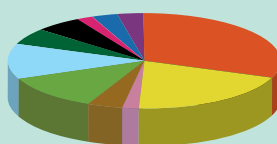
### Investment Strategy:

This option invests in a diversified set of asset classes with a bias towards growth assets.

### Strategic asset allocation<sup>^</sup>

**Growth 72% Defensive 28%**

■ Australian Equities .....	31% (25-38%)
■ International Equities...	20% (15-25%)
■ Australian Private Equity .	2.0% (0-4%)
■ International Private Equity	4.0% (0-5%)
■ Direct Property .....	12.0% (5-17%)
■ Infrastructure.....	12.0% (5-15%)
■ Australian Fixed Interest	5.5% (0-10%)
■ International Fixed Interest	5.5% (2-10%)
■ Unlisted Debt.....	2.0% (0-8%)
■ Opportunistic Growth.....	3.0% (0-8%)
■ Cash.....	3.0% (0-8%)



### Type of investor this would suit:

Members with an investment horizon of at least 5 to 7 years.

### Suggested investment period:

At least 5 to 7 years

### Risk of negative return:

1 in 8 years

### How is the crediting rate calculated:

The Trustee will credit members with the earnings from the underlying investment, net of taxes and investment expenses.

## High Growth<sup>#</sup>

### Annual returns at:

30 June 2010	11.86%
30 June 2009	-19.36%
30 June 2008	-12.17%
30 June 2007	21.30%
30 June 2006	21.80%
<b>5 year average**</b>	<b>3.20%</b>

### Investment objectives:

To obtain high returns over the long term Earnings should exceed inflation by 4% p.a. in three out of four rolling ten-year periods.

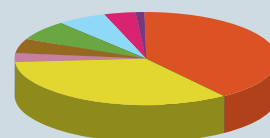
### Investment Strategy:

This option has diversified but balanced asset allocation, and has more exposure to Australian and International share markets than the balanced growth option.

### Strategic asset allocation

**Growth 92.5% Defensive 7.5%**

■ Australian Equities .....	40.0%
■ International Equities....	34.0%
■ Australian Private Equity .	3.0%
■ International Private Equity	5.0%
■ Direct Property .....	7.0%
■ Infrastructure.....	6.0%
■ Opportunistic Growth.....	4.0%
■ Cash.....	1.0%



### Type of investor this would suit:

Investors with an investment horizon of at least 10 years. Returns are likely to experience more year to year variation and even in the longer term (10 years or more) the High Growth option may not outperform the other investment

### Suggested investment period:

At least 10 years

### Risk of negative return:

1 in 6 years

### How is the crediting rate calculated:

The Trustee will credit members with the earnings from the underlying investment, net of taxes and investment expenses.

\*\* Average is the compound average of the crediting rates over the past 5 years or shorter where that option was introduced from a later date. CPI over the same 5 year period averaged 3.04% p.a.

<sup>^</sup> Figure in brackets denotes allowable range for asset allocation.

<sup>#</sup>A currency hedge is applied by the Fund's passive currency manager to this option. As at 1/10/2010, 45% of the International Equities strategic asset allocation was hedged and this is subject to change at the discretion of the Trustee. Past performance is not a reliable indicator of future performance.

## Socially Responsible Investment

(New option from 1/1/09)

### Annual returns at:

30 June 2010	9.62%
30 June 2009	1.87%*
30 June 2008	-
30 June 2007	-
30 June 2006	-
<b>5 year average**</b>	<b>5.67%</b>

### Investment objectives:

To achieve a crediting rate equivalent to inflation plus 3.5% per annum in three out of five rolling five year periods.

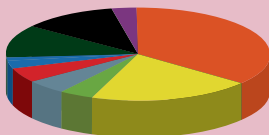
### Investment Strategy:

This option is invested across a number of asset classes with a bias toward sustainable growth assets.

### Strategic asset allocation

**Growth 67.5% Defensive 32.5%**

Australian Equities	36.0%
International Equities	
Unhedged	20.0%
Hedged	4.0%
Direct Property	5.0%
Australian Listed Property	5.0%
International Listed Property (REITS)	3.0%
Absolute Return Strategies	1.0%
Australian Fixed Interest	11.5%
International Fixed Interest (Hedged)	11.5%
Cash	3.0%



### Type of investor this would suit:

Investors with an investment horizon of at least 5 to 7 years who are interested in sustainable responsible investing.

### Suggested investment period:

At least 5 to 7 years

### Risk of negative return:

1 in 5 years

### How is the crediting rate calculated:

The Trustee will credit members with the earnings from the underlying investment, net of taxes and investment expenses.

## Infrastructure

(New option from 1/1/09)

### Annual returns at:

30 June 2010	10.79%
30 June 2009	-4.95%*
30 June 2008	-
30 June 2007	-
30 June 2006	-
<b>5 year average**</b>	<b>2.62%</b>

### Investment objectives:

To achieve a crediting rate equivalent to inflation plus 3.5% per annum in three and a half out of five rolling five year periods.

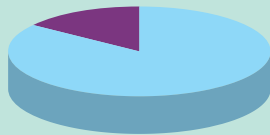
### Investment Strategy:

This option is only invested in infrastructure and is therefore highly exposed to any movements in this sector.

### Strategic asset allocation

**Growth 42.5% Defensive 57.5%**

Infrastructure	85.0%
Cash	15.0%



### Type of investor this would suit:

Investors with a medium to long term investment horizon who are looking for exposure to the general economy but with lower volatility requirements.

### Suggested investment period:

At least 7 to 10 years

### Risk of negative return:

1 in 6.5 years

### How is the crediting rate calculated:

The Trustee will credit members with the earnings from the underlying investment, net of taxes and investment expenses.

## Property

(New option from 1/1/09)

### Annual returns at:

30 June 2010	2.00%
30 June 2009	-9.31%*
30 June 2008	-
30 June 2007	-
30 June 2006	-
<b>5 year average**</b>	<b>-3.82%</b>

### Investment objectives:

To achieve a crediting rate equivalent to inflation plus 3% per annum in two out of three rolling five year periods.

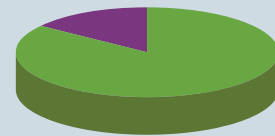
### Investment Strategy:

This option is only invested in property and is therefore highly exposed to any movements in this sector.

### Strategic asset allocation

**Growth 42.5% Defensive 57.5%**

Direct Property	85.0%
Cash	15.0%



### Type of investor this would suit:

Investors with a medium to long term investment horizon who are looking for exposure to the general economy but with lower volatility requirements.

### Suggested investment period:

At least 7 to 10 years

### Risk of negative return:

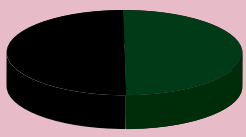
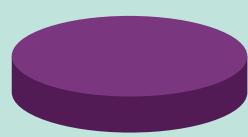
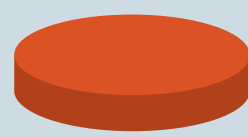

1 in 8 years

### How is the crediting rate calculated:

The Trustee will credit members with the earnings from the underlying investment, net of taxes and investment expenses.

\*Returns are for the period 1/1/09 to 30/6/09.  
Past performance is not a reliable indicator of future performance.

# Member Investment Choice (continued)

Fixed Interest (New option from 1/1/09)	Cash (new option from 1/1/09)	Australian Equities (new option from 1/1/09)	International Equities <sup>#</sup> (new option from 1/1/09)																																																
<p><b>Annual returns at:</b></p> <table border="0"> <tr><td>30 June 2010</td><td>15.83%</td></tr> <tr><td>30 June 2009</td><td>3.11%*</td></tr> <tr><td>30 June 2008</td><td>-</td></tr> <tr><td>30 June 2007</td><td>-</td></tr> <tr><td>30 June 2006</td><td>-</td></tr> <tr><td><b>5 year average**</b></td><td><b>9.29%</b></td></tr> </table>	30 June 2010	15.83%	30 June 2009	3.11%*	30 June 2008	-	30 June 2007	-	30 June 2006	-	<b>5 year average**</b>	<b>9.29%</b>	<p><b>Annual returns at:</b></p> <table border="0"> <tr><td>30 June 2010</td><td>4.74%</td></tr> <tr><td>30 June 2009</td><td>1.48%*</td></tr> <tr><td>30 June 2008</td><td>-</td></tr> <tr><td>30 June 2007</td><td>-</td></tr> <tr><td>30 June 2006</td><td>-</td></tr> <tr><td><b>5 year average**</b></td><td><b>3.10%</b></td></tr> </table>	30 June 2010	4.74%	30 June 2009	1.48%*	30 June 2008	-	30 June 2007	-	30 June 2006	-	<b>5 year average**</b>	<b>3.10%</b>	<p><b>Annual returns at:</b></p> <table border="0"> <tr><td>30 June 2010</td><td>13.29%</td></tr> <tr><td>30 June 2009</td><td>12.13%*</td></tr> <tr><td>30 June 2008</td><td>-</td></tr> <tr><td>30 June 2007</td><td>-</td></tr> <tr><td>30 June 2006</td><td>-</td></tr> <tr><td><b>5 year average**</b></td><td><b>12.71%</b></td></tr> </table>	30 June 2010	13.29%	30 June 2009	12.13%*	30 June 2008	-	30 June 2007	-	30 June 2006	-	<b>5 year average**</b>	<b>12.71%</b>	<p><b>Annual returns at:</b></p> <table border="0"> <tr><td>30 June 2010</td><td>7.45%</td></tr> <tr><td>30 June 2009</td><td>-5.56%*</td></tr> <tr><td>30 June 2008</td><td>-</td></tr> <tr><td>30 June 2007</td><td>-</td></tr> <tr><td>30 June 2006</td><td>-</td></tr> <tr><td><b>5 year average**</b></td><td><b>0.74%</b></td></tr> </table>	30 June 2010	7.45%	30 June 2009	-5.56%*	30 June 2008	-	30 June 2007	-	30 June 2006	-	<b>5 year average**</b>	<b>0.74%</b>
30 June 2010	15.83%																																																		
30 June 2009	3.11%*																																																		
30 June 2008	-																																																		
30 June 2007	-																																																		
30 June 2006	-																																																		
<b>5 year average**</b>	<b>9.29%</b>																																																		
30 June 2010	4.74%																																																		
30 June 2009	1.48%*																																																		
30 June 2008	-																																																		
30 June 2007	-																																																		
30 June 2006	-																																																		
<b>5 year average**</b>	<b>3.10%</b>																																																		
30 June 2010	13.29%																																																		
30 June 2009	12.13%*																																																		
30 June 2008	-																																																		
30 June 2007	-																																																		
30 June 2006	-																																																		
<b>5 year average**</b>	<b>12.71%</b>																																																		
30 June 2010	7.45%																																																		
30 June 2009	-5.56%*																																																		
30 June 2008	-																																																		
30 June 2007	-																																																		
30 June 2006	-																																																		
<b>5 year average**</b>	<b>0.74%</b>																																																		
<p><b>Investment objectives:</b> To achieve a crediting rate equivalent to inflation plus 2% per annum in three out of five rolling five year periods.</p>	<p><b>Investment objectives:</b> To achieve a crediting rate equivalent to inflation plus 1% per annum in every rolling five year period.</p>	<p><b>Investment objectives:</b> To achieve a crediting rate equivalent to inflation plus 4% per annum in two out of three rolling five year periods.</p>	<p><b>Investment objectives:</b> To achieve a crediting rate equivalent to inflation plus 4% per annum in three out of five rolling five year periods</p>																																																
<p><b>Investment Strategy:</b> This option is invested in Australian and international fixed interest and is therefore highly exposed to any movements in the fixed interest sector.</p>	<p><b>Investment Strategy:</b> This option is only invested in cash products and is therefore the most defensive investment option.</p>	<p><b>Investment Strategy:</b> This option is only invested in Australian shares, and is therefore much more exposed to volatility in the Australian share market than the High, Balanced or Conservative Growth Options.</p>	<p><b>Investment Strategy:</b> This option is only invested in international shares, and is therefore much more exposed to volatility in the international share markets than the High, Balanced or Conservative Growth Options.</p>																																																
<p><b>Defensive 100%</b></p> <table border="0"> <tr><td>■ Australian Fixed Interest</td><td>50.0%</td></tr> <tr><td>■ International Fixed Interest (Hedged)</td><td>50.0%</td></tr> </table>	■ Australian Fixed Interest	50.0%	■ International Fixed Interest (Hedged)	50.0%	<p><b>Defensive 100%</b></p> <table border="0"> <tr><td>■ Cash</td><td>100.0%</td></tr> </table>	■ Cash	100.0%	<p><b>Growth 100%</b></p> <table border="0"> <tr><td>■ Australian Equities</td><td>100.0%</td></tr> </table>	■ Australian Equities	100.0%	<p><b>Growth 100%</b></p> <table border="0"> <tr><td>■ International Equities</td><td>100.0%</td></tr> </table>	■ International Equities	100.0%																																						
■ Australian Fixed Interest	50.0%																																																		
■ International Fixed Interest (Hedged)	50.0%																																																		
■ Cash	100.0%																																																		
■ Australian Equities	100.0%																																																		
■ International Equities	100.0%																																																		
																																																			
<p><b>Type of investor this would suit:</b> Investors with a short investment horizon or for those that are risk averse. This is a relatively defensive investment option.</p>	<p><b>Type of investor this would suit:</b> Investors with a short investment horizon or for those that are risk averse. This is the most defensive investment option.</p>	<p><b>Type of investor this would suit:</b> Investors with a long investment horizon. Returns are likely to experience volatility, greater than other options, and even in the longer term (10 years or more) this option may not outperform the other investment options.</p>	<p><b>Type of investor this would suit:</b> Investors with a long investment horizon. Returns are likely to experience volatility, greater than other options, and even in the longer term (10 years or more) this option may not outperform the other investment options.</p>																																																
<p><b>Suggested investment period:</b> At least 3 years</p>	<p><b>Suggested investment period:</b> No minimum</p>	<p><b>Suggested investment period:</b> At least 10 years</p>	<p><b>Suggested investment period:</b> At least 10 years</p>																																																
<p><b>Risk of negative return:</b> 1 in 25 years</p>	<p><b>Risk of negative return:</b> Negligible</p>	<p><b>Risk of negative return:</b> 1 in 4 years</p>	<p><b>Risk of negative return:</b> 1 in 3.5 years</p>																																																
<p><b>How is the crediting rate calculated:</b> The Trustee will credit members with the earnings from the underlying investment, net of taxes and investment expenses.</p>	<p><b>How is the crediting rate calculated:</b> The Trustee will credit members with the earnings from the underlying investment, net of taxes and investment expenses.</p>	<p><b>How is the crediting rate calculated:</b> The Trustee will credit members with the earnings from the underlying investment, net of taxes and investment expenses.</p>	<p><b>How is the crediting rate calculated:</b> The Trustee will credit members with the earnings from the underlying investment, net of taxes and investment expenses.</p>																																																

\*A currency hedge is applied by the Fund's passive currency manager to this option. As at 1/10/2010, 45% of the International Equities strategic asset allocation was hedged and this is subject to change at the discretion of the Trustee. \*Returns are for the period 1/1/09 to 30/6/09. Past performance is not a reliable indicator of future performance.

## Derivatives

QIEC Super uses derivatives either to protect the value of its portfolios or to manage them efficiently within set asset allocation ranges. On the advice of the QIEC Super investment adviser, the QIEC Super Trustee may use currency hedges directly to protect the value of QIEC Super's overseas investments.

Derivatives will not be used for speculative purposes. Remember that your investment in QIEC Super is not guaranteed. The value of your investment may rise or fall.

The fund managers are permitted to use futures, options and other derivative instruments to assist with the effective management of the Fund's assets. However, these instruments must not be used to gear the portfolio. The Trustee expects that the use of derivatives will be used to enhance the return of the portfolio or to control the volatility in returns of the portfolio. Derivatives may only be used in a conservative manner.