



How we manage property

Vision Super invests in open-ended property trusts that are managed by a diversified selection of specialist property managers.

Our objectives are to:

- Outperform inflation over the longer-term by 3% p.a. (as measured by the Consumer Price Index {CPI}) and over at least two thirds of all rolling five-year periods.
- Limit the chance of a negative return in any one year to less than one in four years.
- Outperform the Mercer Property Trust Index over the medium and longer term.

There is no single, universally accepted property index in Australia. Vision Super regards the Mercer Direct Property Index as the most appropriate benchmark currently available. We recognise, however, that the underlying assets in its core property portfolio will not always reflect those comprising the Mercer Index. For this reason, the investment returns from this asset class are expected to vary from the index over time.

Investment approach

Vision Super aims to achieve the property portfolio objectives by:

- Maintaining a portfolio of property investments that primarily includes unlisted property trusts but allows for opportunistic investment in listed property trusts.
- Diversifying the portfolio across the office, industrial and retail property sub-sectors.
- Diversifying the portfolio across metropolitan and regional areas in different states, territories and international regions.
- Diversifying the portfolio across a number of specialist property investment managers with different styles and approaches to limit individual investment manager risk.

Vision Super regards property as a long-term investment, also recognising that it is less liquid than other investment sectors.

Over the longer term, Vision Super expects its combination of property managers to produce superior risk-adjusted returns relative to its benchmark.

Vision Super invests in a range of core, diversified Australian property funds as its primary property exposure. It also has smaller investments in several specialist retail funds.

Investment managers used

Vision Super closely monitors the compliance, management, style, complementarity and performance of the managers in its portfolios. While the number and mix of managers will alter over time, the following is a snapshot of the current managers.

Managers	Investment strategy	%
ISPT	generalist/core Australian	38
AMP Capital Investors	generalist/core Australian	34
Colonial First State Property	diversified retail Australian	9
QIC Properties	diversified retail Australian	10
Eureka	generalist/core Australian	9