

# PERPETUAL'S SELECT SUPERANNUATION FUND

Perpetual Select Super Plan  
Perpetual Select Pension Plan  
Perpetual MySuper  
**Annual Report**

**ANNUAL REPORT**  
**YEAR ENDED 30 JUNE 2016**  
Perpetual Superannuation Limited  
ABN 84 008 416 831 AFSL 225246 RSE L0003315

Perpetual 

## DIRECTORY

### FUND

Perpetual's Select Superannuation Fund (Fund)  
ABN 51 068 260 563 RSE R1057034

### PRODUCTS

Perpetual Select Super Plan (Super Plan)  
SPIN/USI PER0138AU

Perpetual Select Pension Plan (Pension Plan)  
SPIN/USI PER0279AU (Term Allocated Pension)  
SPIN/USI PER0405AU (Account Based Pension)

Perpetual MySuper (MySuper)  
MySuper product authorisation number 51068260563643  
SPIN/USI PER0705AU

### ISSUER AND TRUSTEE

Perpetual Superannuation Limited (Trustee)  
ABN 84 008 416 831 AFSL 225246 RSE L0003315

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### IMPORTANT NOTES AND DISCLAIMER

This Annual Report (Report) provides the fund information required under the Corporations Act and has been prepared by the Trustee in September 2016 for members of the Fund. In this Report, 'we', 'us', 'our' and 'Perpetual Superannuation' are references to the Trustee.

The Trustee is part of the Perpetual Group, which comprises Perpetual Limited and its subsidiaries. Although the Trustee believes the information in this Report is accurate and reliable as at the date of issue, no company in the Perpetual Group, nor any director or officer of any company in the Perpetual Group, makes any representation or warranty as to the accuracy, reliability or completeness of material in this Report. Except in so far as liability under any statute cannot be excluded, companies in the Perpetual Group and directors, officers, employees and consultants of companies in the Perpetual Group do not accept any liability (whether arising in contract, tort, negligence or otherwise) for any error or omission in this Report or for any loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this information or any other person.

Some of the information in this Report is based on an interpretation of relevant laws that were current as at 30 June 2016. None of the information in this Report constitutes financial product advice. No member or any other person should act on the basis of any statement, matter or thing in this Report without first obtaining independent advice.

Neither we nor any company in the Perpetual Group guarantee that you will earn any return on your investment or that your investment will gain in value or retain its value. Investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and capital invested.

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# DIRECTORS' MESSAGE

Dear Member

On behalf of the Trustee of Perpetual's Select Superannuation Fund, we are pleased to present the Fund's Annual Report for the year ended 30 June 2016. The Fund consists of the following products:

- Perpetual Select Super Plan (Super Plan)
- Perpetual Select Pension Plan (Pension Plan)
- Perpetual MySuper (MySuper).

This Report should be read in conjunction with your Annual Statement for the year ended 30 June 2016, which details your specific benefit entitlements under the Fund.

This Report brings you up to date with relevant details relating to the Fund (including the investment options available to members) and recent product changes (see page 4 for details). It also provides information on important changes in the superannuation environment (see page 2 for details).

The Super Plan and Pension Plan enable you to access a broad range of investment options that have been selected, diversified and blended by our Select investment team in keeping with our prudent investment philosophy. Each investment option's risk and return profile has been carefully constructed so you can choose the right one to suit your own circumstances and objectives.

MySuper is designed primarily for (but not limited to) employees who have not nominated a superannuation fund to receive compulsory contributions from their employer. MySuper provides a single diversified investment strategy and default insurance cover.

If you are a Super Plan or MySuper member and have other superannuation accounts you may like to consider consolidating them into your Super Plan or MySuper account, as applicable. This should make it easier to keep track of your superannuation and may save you on total fees and costs. You can download a Transfer Authority form from our website at [www.perpetual.com.au/forms](http://www.perpetual.com.au/forms) or phone us on 1800 003 001 to request a form. We recommend you speak with your financial adviser about whether this is appropriate for you.

Thank you for entrusting us to look after your superannuation and retirement savings.

Directors, Perpetual Superannuation Limited

# SUPERANNUATION CHANGES

## INDEXATION OF SUPERANNUATION LIMITS AND THRESHOLDS

The following superannuation limits and thresholds have been set by the ATO for the 2016/2017 financial year.

LIMIT/THRESHOLD	2015/2016	2016/2017
Concessional contributions cap <sup>1</sup>	\$30,000 <sup>2</sup>	\$30,000 <sup>2</sup>
Non-concessional contributions cap <sup>1</sup>	\$180,000 <sup>3</sup>	\$180,000 <sup>3</sup>
Government co-contribution <sup>4</sup> :		
Lower income threshold	\$35,454	\$36,021
Higher income threshold	\$50,454	\$51,021
Limit on capital gains tax concession on disposal of eligible assets by qualifying small business owners	\$1,395,000	\$1,415,000
Low-rate cap <sup>5</sup> for the taxable component of lump sum benefit payments for members aged 56-59 (2015/2016) and 57-59 (2016/2017)	\$195,000	\$195,000

- Please refer to 'Federal Budget 2016 – Proposed changes affecting superannuation' for information about proposed changes to the concessional contributions and non-concessional contributions caps.
- This amount will be indexed in line with Average Weekly Ordinary Time Earnings (AWOTE) once the increase in the indexed amount is greater than \$5,000. A temporary higher concessional contributions cap of \$35,000 (unindexed) applies for individuals aged 49 years or over on the preceding 30 June. The higher cap will cease once the general concessional cap reaches \$35,000 by way of indexation.
- The non-concessional contributions cap is six times the general concessional contributions cap. However, if you are under age 65 or turn 65 during the year, you can make non-concessional contributions of up to three times the non-concessional contributions cap over a three-year period under the 'bring forward' option. The bring-forward cap is three times the non-concessional cap of the first year. For example, if you bring forward your non-concessional contributions in 2016/2017, the cap would be \$540,000 (that is, three times \$180,000).
- The co-contribution rate is 50%, with a maximum \$500 co-contribution on personal non-concessional contributions up to \$1,000 made by individuals with a total income up to the lower income threshold, which reduces by 3.333 cents for every \$1 of total income up to the higher income threshold where it ceases to apply. The higher income threshold is set at \$15,000 above the (indexed) lower income threshold.
- The low-rate cap is a lifetime limit and will be indexed in line with AWOTE in multiples of \$5,000.

## TAX ON BENEFITS PAID TO MEMBERS

When a superannuation benefit is received, it may include both tax-free and taxable components, calculated in the same proportions as the total account balance immediately before the payment.

The taxable portion of any superannuation lump sum or pension benefit is subject to tax depending on your age when received. Since the sliding preservation age scale for people born between 1 July 1960 and 30 June 1964 started to apply from 1 July 2015, the age scales applicable to the taxable component for people under age 60 will continue to increase progressively over the next four years, as shown in the following tables.

This means that from the 2019/2020 financial year, the tax treatment on the taxable component of any superannuation lump sum or pension benefit will depend on whether you are under age 60 or aged 60 and over when the benefit is received.

## TAX ON TAXABLE COMPONENT OF LUMP SUM BENEFITS

FINANCIAL YEAR	TAX TREATMENT		
	TAXED AT 20% <sup>1</sup>	BALANCE ABOVE THE LOW-RATE CAP TAXED AT 15% <sup>1</sup>	TAX-FREE
2015/2016	Under 56	56-59	60 and over
2016/2017	Under 57	57-59	60 and over
2017/2018	Under 58	58-59	60 and over
2018/2019	Under 59	59	60 and over
2019/2020	Under 60	n/a	60 and over

## TAX ON TAXABLE COMPONENT OF PENSION BENEFITS

FINANCIAL YEAR	TAX TREATMENT		
	TAXABLE AT MARGINAL TAX RATE <sup>1</sup>	TAXABLE AT MARGINAL TAX RATE LESS 15% TAX OFFSET <sup>1</sup>	TAX-FREE
2015/2016	Under 56	56-59	60 and over
2016/2017	Under 57	57-59	60 and over
2017/2018	Under 58	58-59	60 and over
2018/2019	Under 59	59	60 and over
2019/2020	Under 60	n/a	60 and over

1 Plus Medicare levy.

## FEDERAL BUDGET 2016 – PROPOSED CHANGES AFFECTING SUPERANNUATION

On 3 May 2016, the Federal Government announced as part of its 2016 Budget the following changes affecting superannuation which, if implemented through the passing of appropriate supporting legislation, could significantly impact some Fund members.

Following consultation, on 15 September 2016, the Government announced changes to some of these previously announced reforms.

## **ELIGIBILITY TO CONTRIBUTE TO SUPERANNUATION**

In the Budget the Government announced that, from 1 July 2017, the work test which must be satisfied before individuals aged between 65 and 74 (inclusive) can make voluntary concessional contributions or non-concessional contributions would be removed. This change would also allow individuals to make superannuation contributions for a spouse under age 75 without the need for the spouse to meet a work test.

The Government has since announced that it will not proceed with the above harmonisation of contribution rules for those aged 65 to 74.

## **CONCESSIONAL CONTRIBUTIONS REDUCTION TO THE ANNUAL CONCESSIONAL CONTRIBUTIONS CAP**

The current general concessional contributions cap (\$30,000 for the 2016/2017 financial year) and the transitional cap (\$35,000 for individuals aged 49 years or over on the preceding 30 June) will be reduced to \$25,000 (indexed to AWOTE) from 1 July 2017.

## **NEW PROVISION TO MAKE 'CATCH-UP' CONCESSIONAL CONTRIBUTIONS**

In the Budget the Government announced that, from 1 July 2017, members with superannuation balances of \$500,000 or less who have not fully utilised their concessional contributions cap in previous years will be able to carry forward the unused cap amounts on a rolling five consecutive year basis so that additional concessional contributions can be made during those years.

The Government has since announced that this provision will now apply from 1 July 2018 instead.

## **EXTENSION OF TAX DEDUCTIONS FOR PERSONAL CONTRIBUTIONS**

In the Budget the Government announced that, from 1 July 2017, tax deductions for personal contributions up to the concessional contributions cap, currently available only to the self-employed (generally people who earn less than 10% of their income from salary or wages), would be extended to all individuals under the age of 75.

The Government has since announced that only members under the age of 65 and those aged 65 to 74 who meet the work test will be eligible to claim a tax deduction for personal contributions.

## **DECREASE IN INCOME THRESHOLD FOR ADDITIONAL CONTRIBUTIONS TAX TO APPLY**

Generally, a flat 15% tax applies to concessional contributions. However, the income threshold (including concessional contributions) from which tax of 30% will apply instead to concessional contributions (within the concessional contributions cap) will be reduced from \$300,000 to \$250,000 from 1 July 2017.

## **LOW INCOME SUPERANNUATION CONTRIBUTION (LISC) REPLACED BY LOW INCOME SUPERANNUATION TAX OFFSET (LISTO)**

Until it expires on 30 June 2017, a LISC of up to \$500 annually is paid by the Government directly into a member's account for members on adjusted taxable incomes of up to \$37,000. The LISC is calculated by applying a 15% matching rate to concessional contributions up to \$3,333 made each year by or for eligible individuals to offset the contributions tax payable on those contributions.

In the Budget the Government announced that, from 1 July 2017, the LISC would be replaced by the LISTO. The LISTO retains the same limits and rates as the LISC, however, the LISTO would be provided as a non-refundable tax offset to superannuation funds based on the tax paid on concessional contributions made by or for low income earners (capped at \$500 per eligible member).

The Government has since announced that instead of treating the LISTO as a non-refundable tax offset which the fund then needs to pay into the member's account, the LISTO will continue to be paid by the ATO to the fund to be credited to the member's account.

## **NON-CONCESSIONAL CONTRIBUTIONS ANNUAL NON-CONCESSIONAL CONTRIBUTIONS CAP CHANGED TO A LIFETIME CAP**

In the Budget the Government announced that the current annual non-concessional contributions cap (\$180,000 for the 2016/2017 financial year or \$540,000 under the three-year 'bring forward' option) would be replaced from Budget night with a \$500,000 lifetime cap on total non-concessional contributions made since 1 July 2007 for all individuals under age 75.

The Government has since announced that instead of the \$500,000 lifetime cap, a lower non-concessional contributions cap of \$100,000 will apply from 1 July 2017. As is currently the case, members under age 65 will be eligible to bring forward three years of non-concessional contributions. Where a member has a total superannuation balance of more than \$1.6 million, they will no longer be eligible to make non-concessional contributions.

## **INCREASE TO INCOME THRESHOLD FOR SPOUSE CONTRIBUTIONS**

From 1 July 2017, access to the low income spouse superannuation tax offset will be expanded by increasing the income threshold for the low income spouse from \$10,800 to \$37,000. The offset will remain at 18% of the amount of eligible spouse contributions up to a maximum of \$3,000, therefore remaining capped at \$540 per year.

## **INCOME STREAMS**

### **NEW INCOME STREAM TOTAL ACCOUNT BALANCE LIMIT**

From 1 July 2017, a cap of \$1.6 million will apply on the total amount of accumulated superannuation that a member can transfer into the retirement (income stream) phase. Subsequent earnings on balances in the retirement phase will not be capped or restricted. This cap will be indexed in line with the Consumer Price Index (CPI) in \$100,000 increments.



Where a member accumulates amounts in excess of \$1.6 million, they will be able to maintain the excess amount in a superannuation accumulation account where earnings will continue to be taxed at the concessional rate of 15%.

Members already in the retirement phase with total account balances above \$1.6 million will have to reduce their retirement phase balance to \$1.6 million by 1 July 2017 by either transferring the excess back into a superannuation accumulation account or withdrawing the excess amount.

Members who breach the cap will be subject to penalty arrangements.

### **TRANSITION TO RETIREMENT (TTR) PENSIONS EARNINGS ON TTR PENSIONS TO BE TAXED**

The earnings on assets supporting TTR pensions are currently not subject to tax. From 1 July 2017, these earnings will be taxed within the superannuation fund at the maximum rate of 15%, which is the same as the concessional tax rate applying to fund earnings on superannuation accumulation accounts.

### **TAX TREATMENT OF INCOME PAYMENTS**

Members are currently able to elect that TTR pension amounts paid from the taxable component be treated as lump sums for tax purposes. These payments are then received tax-free to the extent that they are within the member's low rate cap up to age 59 (currently \$195,000). Members will no longer be able to make this election from 1 July 2017, which means that members under age 60 who had not previously fully utilised their low rate cap will incur tax at their marginal tax rate (less a 15% tax offset if aged 58-59) on all TTR pension income amounts paid from the taxable component.

### **REMOVAL OF ANTI-DETRIMENT PAYMENTS ON DEATH BENEFITS**

The anti-detriment provisions for death benefits paid as a lump sum to certain eligible beneficiaries, which currently allow for a refund of tax paid by a deceased member on superannuation contributions over their lifetime, will be removed from 1 July 2017.

### **OBJECTIVE OF SUPERANNUATION**

In the Budget the Government announced that it will enshrine in legislation that the objective of superannuation is 'to provide income in retirement to substitute or supplement the Age Pension', with the intention that any future changes to superannuation will need to maintain this objective.

The Government has now also identified subsidiary objectives to support the primary objective of the superannuation system, which will provide a framework for assessing future legislation against the primary objective of superannuation.

# PRODUCT UPDATE

## **REISSUE OF PRODUCT DISCLOSURE STATEMENTS (PDS)**

The following PDSs were reissued on 1 October 2015:

- Perpetual Select Super Plan and Pension Plan
- Perpetual MySuper.

The PDS for Perpetual MySuper was subsequently reissued again on 15 March 2016 to accommodate a change to its fee structure (see 'Change to MySuper fee structure' below) effective from that date.

You can download the current PDSs, together with any incorporated documents, from our website or obtain a copy, free of charge, by contacting us or your adviser.

## **PERPETUAL MYSUPER**

The MySuper regulations affect members who have not made an investment choice and therefore have their super money invested in a superannuation fund's default investment option. Since 1 January 2014, compulsory employer contributions for such 'default' members can only be accepted into MySuper compliant products, such as Perpetual MySuper.

### **EXISTING 'DEFAULT' MEMBERS IN THE SUPER PLAN**

In accordance with superannuation law, the Trustee will be contacting existing default members in the Super Plan with the view to transferring their account balances into Perpetual MySuper by 1 July 2017. However, such members can elect beforehand to have their account balance remain in the Super Plan by completing the 'Perpetual MySuper opt out form' provided at the back of this Report and returning it to us.

## **FEES AND COSTS**

### **CHANGE TO MYSUPER FEE STRUCTURE**

The following change was made to the fee structure for MySuper effective from 15 March 2016.

<b>TIMING</b>	<b>INVESTMENT FEE</b>	<b>ADMINISTRATION FEE<sup>1</sup></b>	<b>TOTAL</b>
Prior to 15 March 2016	1.25% pa	0.00% pa	1.25% pa (unchanged)
From 15 March 2016	0.50% pa	0.75% pa	1.25% pa (unchanged)

<sup>1</sup> The dollar-based component of the administration fee (\$5.00 per month/\$60.00 per annum) remained unchanged.

## INDEXATION OF FEE AMOUNTS

The following amounts have been increased in line with cumulative increases in the Consumer Price Index (CPI).

### ADMINISTRATION FEES

With effect from 1 July 2016, the administration fee for the Super Plan and Pension Plan has increased from \$9.75 per month (\$117.00 annually) to \$9.88 per month (\$118.56 annually).

The dollar-based component of the administration fee (\$5.00 per month/\$60.00 annually) for MySuper is unchanged.

### INVESTMENT FEE - BASE FEE REBATES

Historical management costs are outlined on pages 8-15 of this Report. Rebates on the base fee are available to Super Plan and Pension Plan members with large account balances. Qualifying levels have been increased from 1 July 2016, as follows:

VALUE OF INVESTMENT		REBATE % PA (UNCHANGED)
OLD QUALIFYING LEVEL	NEW QUALIFYING LEVEL	
\$262,100	\$265,500	Nil
\$612,000	\$620,100	0.50%
\$874,100	\$885,600	1.15%

## CHANGES TO INSURANCE

The following changes to insurance took effect from 1 July 2016. These changes were previously communicated to affected Super Plan and MySuper members in May 2016.

Details of the current insurance available to Super Plan and MySuper members, including updated insurance premium rate tables, can be found in the respective 'Insurance in your super' documents reissued on 1 July 2016, which you can download from our website or obtain a copy by contacting us or your adviser.

An updated insurance policy document which contains the amended terms and conditions can be obtained free of charge by contacting us. The updated terms and conditions and revised insurance premium rate tables are guaranteed for two years.

### INSURANCE PREMIUM RATES

The rise in the number of insurance claims over the last few years, together with the increased cost of meeting and managing these claims, has resulted in insurance premium increases from 1 July 2016 for:

- death only cover
- total and permanent disablement (TPD) only cover
- combined death and TPD cover.

Premium rates also changed for salary continuance insurance (SCI) cover from 1 July 2016, resulting in both increases and decreases depending on an insured member's gender, age, waiting period and/or benefit period.

If you have death, TPD and/or SCI cover under the Super Plan or MySuper, your Annual Statement contains details of your new annual premium rates from 1 July 2016.

## CHANGES TO INSURANCE POLICY TERMS AND CONDITIONS

From 1 July 2016, there were also changes made to the insurance policy terms and conditions that affect death, TPD and SCI cover, which are summarised in the following table.

FEATURE	SUMMARY OF CHANGE
Terminal illness benefit	You will be considered terminally ill now if you were diagnosed with an illness and: <ol style="list-style-type: none"> <li>1. in the insurer's opinion, formed reasonably in good faith and in light of all available medical evidence, it is likely that you have less than <b>24 months</b> (previously 12 months) to live regardless of any treatment undertaken</li> <li>2. two registered medical practitioners (with at least one of these being a specialist in the relevant area) certify in writing that, despite reasonable medical treatment, it is likely that you have less than <b>24 months</b> (previously 12 months) to live and</li> <li>3. you were diagnosed as terminally ill both while death cover was effective and when the claim is lodged.</li> </ol>
Additional exclusion for SCI cover	No SCI benefits will be payable during any periods of unemployment for any period of disability resulting directly or indirectly from any mental health disorder.
Continuation option	The option formerly enabling an insured member to continue their existing death cover under a direct retail policy with AIA Australia Limited (the Fund's insurer) within 60 days of leaving the Fund, without the need to provide further medical evidence, has been removed.

## UNITED KINGDOM (UK) PENSION TRANSFERS

We continue not to accept transfers of UK pension money. Any change to our current policy will be made available on our website.

### APRA LEVY

It is estimated that the application of the annual APRA levy to the Fund will result in a cost of approximately 0.01% for each of the Fund's investment options (except MySuper – Balanced Growth) when charged as an expense recovery during the 2016/2017 financial year.

# INVESTMENT INFORMATION

## TRUSTEE'S INVESTMENT OBJECTIVE

The Trustee's investment objective is to provide a comprehensive and suitable range of investment options from which all members can select investments that are suitable for their personal circumstances at any particular time.

## TRUSTEE'S INVESTMENT STRATEGY

The Trustee's investment strategy is to provide a range of investment options with different risk/return profiles.

The variety of investment options offers members diversification across different asset classes, regions and markets. Most investment options also offer further diversification across a range of specialist investment managers.

## DERIVATIVES

Perpetual's multi-manager investment team and some of the investment managers with which the Fund invests may use derivatives to reduce risks in the share, bond and currency markets and to increase or decrease their exposure to particular investment sectors or markets. While derivatives may be used for trading purposes, they are generally not used to gear investments.

## INVESTMENT OPTIONS

Relevant details for each of the investment options available to Fund members are provided on pages 8-15 of this Report, including:

- risk level
- investment return objective
- investment guidelines
- option size
- historical management cost
- investment performance
- asset allocations.

The Trustee may add, vary or withdraw investment options at its discretion.

Full details of the investment options that are currently available to Fund members are contained in the relevant current Product Disclosure Statement (PDS) available at our website or by calling us.

## INVESTMENT PERFORMANCE

The latest available performance figures (updated each month) may be obtained at our website or by calling us.

Investment performance has been calculated net of any management fees and costs and (for the Super Plan and MySuper) income tax of up to 15%. No allowance has been made for the member administration fee or (for Super Plan and Pension Plan members only) any investment fee rebates. Care should be exercised in relying on past performance. Historical performance is not a reliable guide to future performance.

## ASSET ALLOCATIONS

The asset allocations shown on pages 8-14 are based on the Super Plan, which may in some cases differ marginally from asset allocations for the Pension Plan.

## RISK LEVELS

The risk level for each investment option is represented by its Standard Risk Measure (SRM), which is based on a standard industry measure of the estimated number of negative annual returns over any 20 year period – see footnote 1 to the investment options tables on page 16 for further information about SRMs.

The latest SRMs for all of the investment options are reflected in the current PDSs and the investment options tables on pages 8-15. Any changes to SRMs at any time will be available at our website.

Members should ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s), seeking professional advice where appropriate.



## SPECIALIST INVESTMENT MANAGERS

The specialist investment managers appointed by the Trustee to manage the various asset classes within the Super Plan and Pension Plan investment options are shown in the following table. Visit our website for further information.

### SELECT SPECIALIST INVESTMENT MANAGERS FOR THE SUPER PLAN AND PENSION PLAN INVESTMENT OPTIONS AS AT 30 JUNE 2016

ASSET CLASS	INVESTMENT MANAGER(S)
Capital guaranteed	Perpetual Investments
Cash	Perpetual Investments
Fixed income	Perpetual Investments PIMCO Schroders
Real estate	Renaissance Asset Management Resolution Capital
Australian shares	Cooper Investors Kaplan Funds Management Perpetual Investments Renaissance Asset Management
International shares	Aberdeen Asset Management Johnston Asset Management Magellan Asset Management Perpetual Investments SouthernSun Asset Management
Income alternatives <sup>1</sup>	Bentham Asset Management Hastings Funds Management ICG-Longbow Intermediate Capital Group Perpetual Investments Westbourne Capital
Growth alternatives <sup>1</sup>	American Securities APN Property Group Archer Capital Colony Capital Inc Franklin Templeton Investments Hamilton Lane Hastings Funds Management H.I.G. Capital ICG-Longbow Intermediate Capital Group KPS Capital Partners Magellan Asset Management Oak Hill Advisors Oaktree Capital Management Palisade Investment Partners Perpetual Investments Wellspring Capital Management

<sup>1</sup> There are also tailored mandates for income and growth absolute return fund investments.

Perpetual Investments is the sole investment manager for the MySuper – Balanced Growth investment option.

The Trustee may add, delete or replace specialist investment managers at its discretion.

## OBTAINING UPDATED DETAILS ON THE INVESTMENT OPTIONS

### INVESTMENT DETAILS

From time to time, some of the information in the PDSs about the investment options may change. This includes details such as their:

- investment objective
- investment approach
- investment guidelines (eg asset allocation ranges).

Visit our website for up-to-date investment option information, together with the latest available investment performance details. Alternatively, such information may be accessed by contacting us.

### BUY/SELL SPREADS

We will not increase fees or charges without providing you with 30 days' written notice except in respect of government fees and charges. Transaction costs are normally reviewed at least annually. This review may result in changes to the buy/sell spreads on various investment options.

The current buy/sell spreads as at September 2016 are as follows.

INVESTMENT OPTION	BUY/SELL SPREAD
Conservative	0.16%/0.00%
Diversified	0.24%/0.00%
Balanced	0.26%/0.00%
Growth	0.28%/0.00%
High Growth	0.30%/0.00%
Geared High Growth	0.46%/0.00%
Cash	Nil
Fixed Income	0.13%/0.00%
Real Estate	0.50%/0.00%
Australian Share	0.34%/0.00%
Geared Australian Share	0.68%/0.00%
Limited Share	0.30%/0.00%
International Share	0.40%/0.00%
Capital Guarantee	Nil
MySuper – Balanced Growth	0.34%/0.00%

Visit our website (or contact us) for details of the current buy/sell spreads at any time.

## SUPER PLAN/PENSION PLAN MULTI-ASSET CLASS INVESTMENT OPTIONS

INVESTMENT OPTION NAME	CONSERVATIVE <sup>2</sup>			DIVERSIFIED		
Risk level <sup>1</sup>	4 – Medium			5 – Medium to high		
Investment return objective	Aims to: <ul style="list-style-type: none"> <li>provide members with stable returns through investment in a diversified portfolio with an emphasis on fixed income and cash and enhanced cash investments</li> <li>Super Plan – outperform the CPI by 1.5% (before fees and after tax) over rolling three-year periods</li> <li>Pension Plan – outperform the CPI by 2.5% (before fees and after tax) over rolling three-year periods</li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>3</sup> reflecting the underlying funds' target allocations at any time to the various asset types.</li> </ul>			Aims to: <ul style="list-style-type: none"> <li>provide members with long-term growth through investment in a diversified portfolio of assets</li> <li>Super Plan – outperform the CPI by 2.0% (before fees and after tax) over rolling three-year periods</li> <li>Pension Plan – outperform the CPI by 3.0% (before fees and after tax) over rolling three-year periods</li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>3</sup> reflecting the underlying funds' target allocations at any time to the various asset types.</li> </ul>		
Investment guidelines	Cash <sup>4</sup> and enhanced cash <sup>5</sup>	5-30%		Cash <sup>4</sup> and enhanced cash <sup>5</sup>	0-25%	
	Fixed income <sup>6,7</sup>	10-45%		Fixed income <sup>6,7</sup>	10-40%	
	Diversified credit (including mortgages)	0-30%		Diversified credit (including mortgages)	0-25%	
	Income alternatives	0-10%		Income alternatives	0-10%	
	Australian shares	5-20%		Australian shares	5-25%	
	International shares <sup>7</sup>	5-20%		International shares <sup>7</sup>	5-25%	
	Real estate <sup>7,8,9</sup>	0-10%		Real estate <sup>7,8,9</sup>	5-15%	
	Growth alternatives	0-15%		Growth alternatives	0-20%	
Option size as at 30 June 2016	Super Plan:	\$32.4 million		Super Plan:	\$48.0 million	
	Pension Plan:	\$45.4 million		Pension Plan:	\$44.7 million	
Historical management cost for year ended 30 June 2016	Super Plan:	2.01% <sup>10</sup>		Super Plan:	2.15% <sup>10</sup>	
	Pension Plan:	2.02% <sup>10</sup>		Pension Plan:	2.15% <sup>10</sup>	
Investment performance (net earnings) % pa (see page 6 for further information)	<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>	<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>
	2012	2.2%	3.1%	2012	0.4%	0.9%
	2013	9.4%	10.6%	2013	12.7%	14.3%
	2014	6.7%	7.5%	2014	9.7%	10.5%
	2015	4.8%	5.4%	2015	4.8%	5.5%
	2016	2.7%	3.1%	2016	2.6%	3.1%
	<b>Compound average returns to 30 June 2016</b>			<b>Compound average returns to 30 June 2016</b>		
	5 years	5.1%	5.9%	5 years	5.9%	6.8%
	10 years	3.7%	4.5%	10 years	n/a	n/a
	Since inception	5.0%	5.8%	Since inception	5.7%	6.6%
Asset allocations (Super Plan)	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>
	Australian shares	15%	11%	Australian shares	39%	15%
	International shares	10%	11%	International shares	10%	14%
	Real estate	5%	5%	Real estate	5%	7%
	Growth alternatives	6%	5%	Growth alternatives	0%	11%
	Diversified credit	0%	12%	Diversified credit	0%	5%
	Fixed income	41%	26%	Fixed income	35%	27%
	Income alternatives	10%	5%	Income alternatives	0%	5%
	Cash and enhanced cash	13%	25%	Cash and enhanced cash	11%	16%

You should refer to page 16 for details of footnotes.

INVESTMENT OPTION NAME	BALANCED			GROWTH		
Risk level <sup>1</sup>	5 – Medium to high			6 – High		
Investment return objective	Aims to: <ul style="list-style-type: none"> <li>provide members with long-term growth through investment in a diversified portfolio with an emphasis on Australian and international share investments</li> <li>Super Plan – outperform the CPI by 2.5% (before fees and after tax) over rolling five-year periods</li> <li>Pension Plan – outperform the CPI by 3.5% (before fees and after tax) over rolling five-year periods</li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>3</sup> reflecting the underlying funds' target allocations at any time to the various asset types.</li> </ul>			Aims to: <ul style="list-style-type: none"> <li>provide members with long-term growth through investment in a diversified portfolio with a strong emphasis on Australian and international share investments</li> <li>Super Plan – outperform the CPI by 3.0% (before fees and after tax) over rolling five-to-ten-year periods</li> <li>Pension Plan – outperform the CPI by 4.0% (before fees and after tax) over rolling five-to-ten-year periods</li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>3</sup> reflecting the underlying funds' target allocations at any time to the various asset types.</li> </ul>		
Investment guidelines	Cash <sup>4</sup> and enhanced cash <sup>5</sup>	0-15%		Cash <sup>4</sup> and enhanced cash <sup>5</sup>	0-15%	
	Fixed income <sup>6,7</sup>	0-30%		Fixed income <sup>6,7</sup>	0-25%	
	Diversified credit (including mortgages)	0-20%		Diversified credit (including mortgages)	0-10%	
	Income alternatives	0-10%		Income alternatives	0-10%	
	Australian shares	10-35%		Australian shares	15-45%	
	International shares <sup>7</sup>	10-35%		International shares <sup>7</sup>	15-45%	
	Real estate <sup>7,8,9</sup>	5-15%		Real estate <sup>7,8,9</sup>	5-15%	
	Growth alternatives	0-20%		Growth alternatives	0-20%	
Option size as at 30 June 2016	Super Plan:	\$270.2 million		Super Plan:	\$239.4 million	
	Pension Plan:	\$233.9 million		Pension Plan:	\$274.8 million	
Historical management cost for year ended 30 June 2016	Super Plan:	2.29% <sup>10</sup>		Super Plan:	2.33% <sup>10</sup>	
	Pension Plan:	2.28% <sup>10</sup>		Pension Plan:	2.36% <sup>10</sup>	
Investment performance (net earnings) % pa (see page 6 for further information)	<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>	<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>
	2012	-0.9%	0.0%	2012	-1.6%	-1.1%
	2013	16.1%	17.5%	2013	17.9%	20.3%
	2014	10.8%	11.9%	2014	12.0%	13.5%
	2015	7.8%	8.5%	2015	8.5%	9.4%
	2016	2.7%	2.8%	2016	2.7%	2.7%
	<b>Compound average returns to 30 June 2016</b>			<b>Compound average returns to 30 June 2016</b>		
	5 years	7.1%	8.0%	5 years	7.7%	8.7%
	10 years	3.7%	4.4%	10 years	3.5%	4.0%
	Since inception	5.8%	6.7%	Since inception	5.9%	6.4%
Asset allocations (Super Plan)	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>
	Australian shares	30%	24%	Australian shares	36%	30%
	International shares	24%	22%	International shares	27%	28%
	Real estate	7%	7%	Real estate	6%	8%
	Growth alternatives	11%	10%	Growth alternatives	15%	10%
	Diversified credit	0%	5%	Diversified credit	0%	4%
	Fixed income	18%	16%	Fixed income	7%	7%
	Income alternatives	6%	5%	Income alternatives	0%	3%
	Cash and enhanced cash	4%	11%	Cash and enhanced cash	9%	10%

You should refer to page 16 for details of footnotes.

INVESTMENT OPTION NAME	HIGH GROWTH			GEARED HIGH GROWTH (SUPER PLAN ONLY)		
Risk level <sup>1</sup>	6 – High			6 – High		
Investment return objective	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide members with long-term growth through investment in a diversified portfolio with a strong emphasis on Australian and international shares, as well as growth alternative investments</li> <li>Super Plan – outperform the CPI by 4.0% (before fees and after tax) over rolling ten-year periods</li> <li>Pension Plan – outperform the CPI by 5.0% (before fees and after tax) over rolling ten-year periods</li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>3</sup> reflecting the underlying funds' target allocations at any time to the various asset types.</li> </ul>			<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide members with enhanced long-term growth through borrowing (gearing) to invest in a diversified portfolio with a strong emphasis on Australian and international shares, as well as growth alternative investments</li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>3</sup> reflecting the underlying funds' target allocations at any time to the various asset types.</li> </ul>		
Investment guidelines	Cash <sup>4</sup> and enhanced cash <sup>5</sup>	0-15%		Cash <sup>4</sup> and enhanced cash <sup>5</sup>	0-12%	
	Australian shares	20-45%		Australian shares	35-60%	
	International shares <sup>7</sup>	20-45%		International shares <sup>7</sup>	25-45%	
	Real estate <sup>7,8,9</sup>	5-15%		Growth alternatives	0-25%	
	Growth alternatives	0-30%		Gearing level	0-50%	
Option size as at 30 June 2016	Super Plan:	\$68.0 million		Super Plan:	\$7.3 million	
	Pension Plan:	\$3.2 million				
Historical management cost for year ended 30 June 2016	Super Plan:	2.50% <sup>10</sup>		Super Plan:	3.81% <sup>10</sup>	
	Pension Plan:	2.49% <sup>10</sup>				
Investment performance (net earnings) % pa (see page 6 for further information)	<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>	<b>Year ended 30 June</b>	<b>Super Plan</b>	
	2012	-3.9%	-3.7%	2012	-9.1%	
	2013	19.8%	21.0%	2013	27.3%	
	2014	14.4%	15.8%	2014	19.3%	
	2015	9.5%	10.3%	2015	11.8%	
	2016	1.7%	2.2%	2016	0.4%	
	<b>Compound average returns to 30 June 2016</b>			<b>Compound average returns to 30 June 2016</b>		
	5 years	8.0%	8.7%	5 years	9.2%	
	10 years	3.5%	4.2%	10 years	n/a	
	Since inception	5.6%	6.6%	Since inception	-0.5%	
Asset allocations (Super Plan)	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>
	Australian shares	47%	33%	Australian shares	47%	46%
	International shares	35%	33%	International shares	35%	34%
	Real estate	0%	7%	Growth alternatives	14%	14%
	Growth alternatives	16%	21%	Cash and enhanced cash	4%	6%
	Cash and enhanced cash	2%	6%	Gearing level	33%	34%

You should refer to page 16 for details of footnotes.

## SUPER PLAN/PENSION PLAN SINGLE-ASSET CLASS INVESTMENT OPTIONS

INVESTMENT OPTION NAME	CASH			FIXED INCOME		
Risk level <sup>1</sup>	1 – Very low			3 – Low to medium		
Investment return objective	Aims to: <ul style="list-style-type: none"> <li>provide members with capital stability through investments in deposits, money market and fixed income securities</li> <li>match the performance of the Bloomberg AusBond Bank Bill Index (before fees and after tax) over rolling one-year periods.</li> </ul>			Aims to: <ul style="list-style-type: none"> <li>provide members with income and capital stability through investment in a diversified portfolio of fixed income and diversified credit investments (including mortgages)</li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>11</sup> reflecting the underlying fund's target allocation at any time to the various asset types.</li> </ul>		
Investment guidelines	Cash	100%		Cash <sup>4</sup>	0-10%	
				Diversified credit (including mortgages)	0-100%	
				Fixed income <sup>12</sup>	0-100%	
Option size as at 30 June 2016	Super Plan:	\$20.6 million		Super Plan:	\$10.1 million	
	Pension Plan:	\$5.1 million		Pension Plan:	\$6.1 million	
Historical management cost for year ended 30 June 2016	Super Plan:	1.65%		Super Plan:	1.82%	
	Pension Plan:	1.65%		Pension Plan:	1.81%	
Investment performance (net earnings) % pa (see page 6 for further information)	<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>	<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>
	2012	2.6%	3.1%	2012	7.5%	9.0%
	2013	1.4%	1.8%	2013	1.8%	2.2%
	2014	0.8%	1.1%	2014	2.6%	3.1%
	2015	0.8%	1.0%	2015	2.1%	2.6%
	2016	0.5%	0.7%	2016	2.3%	2.7%
	<b>Compound average returns to 30 June 2016</b>			<b>Compound average returns to 30 June 2016</b>		
	5 years	1.2%	1.5%	5 years	3.2%	3.9%
	10 years	1.8%	2.3%	10 years	4.1%	4.8%
	Since inception	2.7%	3.3%	Since inception	4.8%	5.7%
Asset allocations (Super Plan)	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>
	Cash	100%	100%	Diversified credit (including mortgages)	48%	46%
				Fixed income	47%	45%
				Cash	5%	9%

You should refer to page 16 for details of footnotes.



INVESTMENT OPTION NAME	REAL ESTATE			AUSTRALIAN SHARE		
Risk level <sup>1</sup>	7 – Very high			6 – High		
Investment return objective	Aims to: <ul style="list-style-type: none"> <li>provide members with income and long-term growth through investment in a diversified portfolio of Australian and international real estate investment trusts and unlisted property trusts<sup>8</sup></li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>13</sup> reflecting the underlying fund's target allocation at any time to the various asset types.</li> </ul>			Aims to: <ul style="list-style-type: none"> <li>provide members with long-term growth and income through investment in a diversified portfolio of Australian shares<sup>14</sup></li> <li>outperform the S&amp;P/ASX 300 Accumulation Index (before fees and after tax) over rolling three-year periods.</li> </ul>		
Investment guidelines	Cash <sup>4</sup>	0-10%		Cash <sup>4</sup>	0-10%	
	Australian real estate	0-100%		Australian shares <sup>14</sup>	90-100%	
	International real estate <sup>12</sup>	0-100%				
Option size as at 30 June 2016	Super Plan:	\$10.2 million		Super Plan:	\$29.4 million	
	Pension Plan:	\$3.1 million		Pension Plan:	\$17.4 million	
Historical management cost for year ended 30 June 2016	Super Plan:	2.11%		Super Plan:	2.45% <sup>15</sup>	
	Pension Plan:	2.09%		Pension Plan:	2.44% <sup>15</sup>	
Investment performance (net earnings) % pa (see page 6 for further information)	<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>	<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>
	2012	2.2%	4.2%	2012	-5.9%	-5.8%
	2013	15.4%	19.9%	2013	19.6%	20.8%
	2014	10.3%	11.8%	2014	16.9%	18.2%
	2015	10.7%	13.8%	2015	4.8%	5.5%
	2016	14.8%	15.8%	2016	3.1%	3.5%
	<b>Compound average returns to 30 June 2016</b>			<b>Compound average returns to 30 June 2016</b>		
	5 years	10.6%	13.0%	5 years	7.3%	8.0%
	10 years	1.8%	2.6%	10 years	4.7%	5.5%
	Since inception	5.5%	6.3%	Since inception	8.3%	9.5%
Asset allocations (Super Plan)	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>
	Australian real estate	50%	52%	Australian shares	96%	93%
	International real estate	40%	40%	International shares	1%	0%
	Cash	10%	8%	Cash	3%	7%

You should refer to page 16 for details of footnotes.

INVESTMENT OPTION NAME	GEARED AUSTRALIAN SHARE (SUPER PLAN ONLY)			LIMITED SHARE		
<b>Risk level<sup>1</sup></b>	7 – Very high			6 – High		
<b>Investment return objective</b>	Aims to: <ul style="list-style-type: none"> <li>provide members with enhanced long-term growth through borrowing (gearing) to invest in a diversified portfolio of Australian shares<sup>14</sup></li> <li>outperform the S&amp;P/ASX 300 Accumulation Index (before fees and after tax) over rolling three-year periods.</li> </ul>			Aims to: <ul style="list-style-type: none"> <li>provide members with long-term growth and income through investment in quality industrial and resource shares and other securities</li> <li>outperform the S&amp;P/ASX 300 Accumulation Index (before fees and after tax) over rolling three-year periods.</li> </ul>		
<b>Investment guidelines</b>	Cash <sup>4</sup>	0-10%		Cash <sup>4</sup>	0-10%	
	Australian shares <sup>14</sup>	90-100%		Australian shares <sup>16</sup>	90-100%	
	Gearing level	0-60%				
<b>Option size as at 30 June 2016</b>	Super Plan:	\$3.7 million		Super Plan:	\$11.4 million	
				Pension Plan:	\$4.2 million	
<b>Historical management cost for year ended 30 June 2016</b>	Super Plan:	5.13%		Super Plan:	2.01%	
				Pension Plan:	1.99%	
<b>Investment performance (net earnings) % pa</b> (see page 6 for further information)	<b>Year ended 30 June</b>	<b>Super Plan</b>		<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>
	2012	-17.9%		2012	-2.9%	-1.7%
	2013	34.6%		2013	27.2%	29.3%
	2014	28.8%		2014	17.6%	18.8%
	2015	4.6%		2015	4.4%	5.0%
	2016	1.1%		2016	-1.5%	-1.3%
	<b>Compound average returns to 30 June 2016</b>			<b>Compound average returns to 30 June 2016</b>		
	5 years	8.5%		5 years	8.4%	9.4%
	10 years	n/a		10 years	6.3%	7.1%
	Since inception	-0.1%		Since inception	7.8%	9.1%
<b>Asset allocations (Super Plan)</b>	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>
	Australian shares	97%	90%	Australian shares	93%	92%
	International shares	1%	0%	Cash	7%	8%
	Cash	2%	10%			
	Gearing level	50%	52%			

You should refer to page 16 for details of footnotes.

INVESTMENT OPTION NAME	INTERNATIONAL SHARE			CAPITAL GUARANTEE (CLOSED TO NEW MEMBERS)		
<b>Risk level<sup>1</sup></b>	6 – High			1 – Very low		
<b>Investment return objective</b>	Aims to: <ul style="list-style-type: none"> <li>provide members with long-term growth through investment in a diversified portfolio of international shares<sup>16</sup></li> <li>outperform the MSCI All Country World Index (unhedged) in Australian dollars (before fees and after tax) over rolling three-year periods.</li> </ul>			Returns and security through investment in a deposit or product issued by an Approved Deposit taking Institution (ADI) or cash funds, or other pooled structured funds that are supported by a guarantee.		
<b>Investment guidelines</b>	Cash <sup>4</sup>	0-10%		Bank deposits or cash funds supported by a guarantee		100%
	International shares <sup>12,17</sup>	90-100%				
<b>Option size as at 30 June 2016</b>	Super Plan:	\$13.7 million		Super Plan:	\$25.2 million	
	Pension Plan:	\$4.9 million		Pension Plan:	\$0.9 million	
<b>Historical management cost for year ended 30 June 2016</b>	Super Plan:	2.28% <sup>18</sup>		Super Plan:	1.55%	
	Pension Plan:	2.27% <sup>18</sup>		Pension Plan:	1.55%	
<b>Investment performance (net earnings) % pa</b> (see page 6 for further information)	<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>	<b>Year ended 30 June</b>	<b>Super Plan</b>	<b>Pension Plan</b>
	2012	-6.1%	-6.5%	2012	2.6%	3.1%
	2013	24.7%	27.9%	2013	1.3%	1.7%
	2014	14.5%	16.9%	2014	0.9%	1.1%
	2015	16.5%	18.9%	2015	0.7%	1.0%
	2016	-1.0%	-1.2%	2016	0.6%	0.7%
	<b>Compound average returns to 30 June 2016</b>			<b>Compound average returns to 30 June 2016</b>		
	5 years	9.1%	10.4%	5 years	1.2%	1.5%
	10 years	1.6%	2.1%	10 years	2.3%	3.0%
	Since inception	3.7%	4.2%	Since inception	3.4%	3.8%
<b>Asset allocations (Super Plan)</b>	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>
	International shares	98%	98%	Cash	100%	100%
	Cash	2%	2%			

You should refer to page 16 for details of footnotes.

## MYSUPER INVESTMENT OPTION

INVESTMENT OPTION NAME	MYSUPER – BALANCED GROWTH		
Risk level <sup>1</sup>	6 – High		
Investment return objective	Aims to: <ul style="list-style-type: none"> <li>• provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments</li> <li>• outperform a composite benchmark reflecting its allocation to the various asset types over rolling three-year periods</li> <li>• provide a total return of 3% per annum above inflation over rolling 10 year periods, net of investment and administration fees and superannuation fund taxes.</li> </ul>		
Investment guidelines	Australian shares <sup>19</sup>	10-50%	
	International shares	10-50%	
	Property	0-15%	
	Fixed income	0-35%	
	Cash and enhanced cash <sup>5,20</sup>	0-30%	
	Other assets <sup>21</sup>	0-30%	
Option size as at 30 June 2016	MySuper:	\$56.9 million	
Historical management cost for year ended 30 June 2016	MySuper:	1.25%	
Investment performance (net earnings) % pa (see page 6 for further information)	<b>Year ended 30 June</b>	<b>MySuper</b>	
	2012	n/a	
	2013	n/a	
	2014	n/a	
	2015	7.0%	
	2016	2.0%	
	<b>Compound average returns to 30 June 2016</b>		
	5 years	n/a	
	10 years	n/a	
	Since inception	4.5%	
Asset allocations	<b>As at 30 June</b>	<b>2015</b>	<b>2016</b>
	Australian shares	30%	29%
	International shares	25%	25%
	Property	5%	3%
	Fixed income	8%	10%
	Cash and enhanced cash	15%	12%
	Other assets	17%	21%

You should refer to page 16 for details of footnotes.

## UNDERLYING INVESTMENTS

The following table provides details of the Fund's underlying investments in unlisted managed investment schemes that had a value in excess of 5% of the Fund's total assets as at 30 June 2016.

UNDERLYING INVESTMENTS	VALUE OF INVESTMENT (\$M)	PERCENTAGE OF TOTAL FUND ASSETS
Perpetual Private Australian Share Fund	\$364.318	24.45%
Perpetual Private International Share Fund	\$316.850	21.26%
Perpetual Private Duration Fixed Income Fund	\$159.827	10.73%
Perpetual Growth Alternatives Pool Fund	\$143.410	9.62%
Perpetual Private Real Estate Fund	\$112.081	7.52%
Perpetual Institutional Cash Management Trust	\$90.799	6.09%
<b>Sub-total</b>	<b>\$1,187.285</b>	<b>79.67%</b>
All other	\$302.906	20.33%
<b>Total Fund assets</b>	<b>\$1,490.191</b>	<b>100.00%</b>

## FOOTNOTES TO INVESTMENT OPTIONS PROFILE TABLES

- 1 The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.

RISK BAND	RISK LABEL	ESTIMATED NUMBER OF NEGATIVE ANNUAL RETURNS OVER ANY 20 YEAR PERIOD
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of the negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

The SRMs for the investment options may change over time for various reasons, including as a result of reviews of the underlying capital market assumptions that are used in their calculation and future changes to asset allocations by the investment managers. Any changes to SRMs at any time will be available at our website.

- 2 Irrespective of the underlying fund name, which is reflected in the investment option name, the Trustee advises that this investment option has an SRM risk band rating of 4 (refer footnote 1 above).
- 3 The composite benchmarks comprise, as applicable to the various asset types in the underlying funds:
- cash and enhanced cash – Bloomberg AusBond Bank Bill Index
  - fixed income – 50% Bloomberg AusBond Composite 0+ Yr Index and 50% Barclays Capital Global Aggregate Index (hedged to Australian dollars)
  - diversified credit – Bloomberg AusBond Bank Bill Index
  - income alternatives – Bloomberg AusBond Bank Bill Index plus 2%
  - Australian shares – S&P/ASX 300 Accumulation Index
  - international shares – MSCI All Country World Index
  - real estate – 50% S&P/ASX 300 A-REIT Accumulation Index and 50% FTSE EPRA/NAREIT Global Real Estate Index (hedged to Australian dollars)
  - growth alternatives – Bloomberg AusBond Bank Bill Index plus 5%.
- 4 Cash may also be held for liquidity in the underlying funds, so the overall cash allocation may be greater than that stated.
- 5 Enhanced cash investments include cash investments (which include discount securities (eg bank bills), short-term deposits and money market funds which may invest in fixed income instruments and loans), fixed income instruments, hybrids, loans and other income generating securities. The maturity dates of investments are typically longer than cash and they may have a lower credit rating than those in a money market fund, however, they are usually managed to short interest rate exposures.
- 6 Fixed income instruments are securities issued by an issuer for a pre-determined period. The issuers may include governments, banks, corporations and asset backed trusts. The instruments when issued usually provide a return in the form of defined periodic income payments and the return of principal at maturity. These income payments are either fixed when issued or set periodically against a benchmark.
- Fixed income includes Australian fixed income and international fixed income.
- 7 The currency exposure of international assets in the underlying funds is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.
- 8 Real estate includes both Australian and international assets – refer to the ‘Investment guidelines’ for the ‘Real Estate’ investment option on page 12 for further details.
- 9 Also permitted to be included are company shares, unit trusts and other securities that are expected to have a return related to property investments or management as their dominant underlying assets.
- 10 These multi-asset class investment options have varying exposure to underlying funds where performance fees may be payable to the various specialist investment managers for Australian shares, international shares and alternative assets. Any performance fees payable to relevant specialist investment managers are included in the total management costs.
- 11 The composite benchmark comprises:
- Australian fixed income – Bloomberg AusBond Composite 0+ Yr Index
  - diversified credit – Bloomberg AusBond Bank Bill Index
  - international fixed income – Barclays Capital Global Aggregate Index (hedged to Australian dollars).
- 12 The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.
- 13 The composite benchmark comprises:
- Australian real estate – S&P/ASX 300 A-REIT Accumulation Index
  - international real estate – FTSE EPRA/NAREIT Global Real Estate Index (hedged to Australian dollars).
- 14 Securities listed on overseas exchanges may be purchased subject to limits agreed by the Trustee.
- 15 Performance fees are part of the specialist investment manager remuneration. The total performance fee component payable to the specialist investment managers was 0.32%.
- 16 The underlying fund’s investment universe allows it to invest, directly or indirectly, in stocks listed or to be listed on sharemarket exchanges outside Australia. Exposure to stocks outside Australia is limited to 20%.
- 17 Securities listed on the Australian Securities Exchange may be purchased subject to limits agreed by the Trustee.
- 18 Performance fees are part of the specialist investment manager remuneration. The total performance fee component payable to the specialist investment managers was 0.12%.
- 19 The underlying fund may gain its exposure to Australian shares by investing in one or more underlying Australian share funds. Where the underlying fund invests in the Perpetual Australian Share Fund, that underlying fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. The investment guidelines showing the underlying fund’s maximum investment in international shares do not include this potential additional exposure. Underlying Australian share funds may use short positions as part of their investment strategy. Currency hedges may be used from time to time.
- 20 The underlying fund may invest in enhanced cash funds that allow gearing.
- 21 Other assets may include, but are not limited to, infrastructure, mortgages (including mezzanine mortgages), private equity, opportunistic property, absolute return funds, commodities and real return strategies. Exposure to other assets aims to enhance the underlying fund’s diversification and may help reduce volatility.



# FUND INFORMATION

## THE FUND

The Fund is a regulated superannuation fund under the Superannuation Industry (Supervision) Act 1993 (SIS). The Trustee operates, and intends to continue to operate, the Fund as a complying superannuation fund.

## THE FUND'S GROWTH

The Fund commenced in May 1989. The number of members and participating employers and funds under administration as at 30 June 2016 are shown in the following table.

	SUPER PLAN	MYSUPER	PENSION PLAN	TOTAL
Number of personal members	7,579	2,148	1,361	11,088
Number of employer sponsored members	7,417	4,149	n/a	11,566
Total members	14,996	6,297	1,361	22,654
Participating employers	1,572	660	n/a	1,699*
Funds under administration (\$m)	\$789.6	\$56.9	\$643.7	\$1,490.2

\* This total represents the number of unique participating employers in the Fund, which is less than the sum of the Super Plan and MySuper participating employers as it takes into account that some participating employers contribute on behalf of both Super Plan and MySuper members.

## INDEMNITY INSURANCE

Professional indemnity insurance has been effected by the Trustee.

## TRUST DEED

The Trust Deed dated 1 March 1989 (as amended) is a legal document that sets out the provisions governing the operation of the Fund and the rights and obligations of members and the Trustee. The Trustee is responsible for ensuring that the Fund operates according to the Trust Deed and the accompanying Rules, and that the Fund complies with all relevant laws.

Members may inspect the Trust Deed at any time at [www.perpetual.com.au/select-super-updates](http://www.perpetual.com.au/select-super-updates) or by arrangement with us.

## POLICY COMMITTEES (MYSUPER ONLY)

For MySuper, a Policy Committee consisting of equal numbers of member and employer representatives is required to be established for each employer-sponsored arrangement of more than 49 standard employer-sponsored members with the same standard employer-sponsor, and for each employer-sponsored arrangement with up to 49 members if at least five members write to the Trustee. The Policy Committee must meet at least once a year to discuss various business such as investment returns, benefit design and administration issues.

For relevant employer sponsored arrangements in MySuper, elections are held at regular intervals to select member representatives for the Policy Committee. The sponsoring employer will advise all members in their plan the names of all Policy Committee members for the ensuing period (including employer appointed representatives) shortly after the completion of each election process.

## INQUIRIES AND COMPLAINTS

The Trustee has established procedures for dealing with member inquiries and complaints. If you have an inquiry or a complaint, you can either phone us on 1800 003 001 during business hours (Sydney time) or write to:

Client Services  
Perpetual Select  
GPO Box 4171  
Sydney NSW 2001

We will endeavour to respond to your inquiry within 30 days and must respond to complaints within 90 days.

If you are dissatisfied with a decision of the Trustee which affects you, and your complaint has not been resolved to your satisfaction, you may have a right to lodge a complaint about the decision with the Superannuation Complaints Tribunal (SCT). The SCT is an independent body established by the Commonwealth Government to review certain types of trustee decisions. You can phone the SCT from anywhere in Australia on 1300 884 114.

## ELIGIBLE ROLLOVER FUND

The Trustee reserves the right to transfer Super Plan and MySuper accounts of less than \$1,000 to an eligible rollover fund (ERF) where the member has not contributed to that account in the previous two years.

The Trustee will pay any money it decides to pay to an ERF into the Australian Eligible Rollover Fund (AERF). The trustee of the AERF is Perpetual Superannuation Limited.

Being transferred to the AERF may affect your benefits because:

- you will cease to be a member of the Fund and will no longer have any insurance benefits
- you will become a member of the AERF and be subject to its governing rules
- the AERF will invest your benefit according to its investment strategy.

Contact details for the AERF are as follows:

Australian Eligible Rollover Fund  
Locked Bag 5429  
Parramatta NSW 2124  
Phone: 1800 677 424

## LOST MEMBERS

You will be considered a lost member in the Fund if:

- you are an inactive standard employer-sponsored member and there have been no contributions or rollovers for you within the past five years or
- the Fund has never had an address for you or
- at least one written communication has been sent to your last known address and returned unclaimed and
- we have not received a contribution or rollover for you within the last 12 months.

Members who are classed as lost may also have their investment transferred to the AERF, unless your account is required to be paid to the ATO as unclaimed super (see 'Unclaimed super' below).

## UNCLAIMED SUPER

Your superannuation may be treated as unclaimed money if you:

- have reached age 65 and we have not received an amount on your behalf for at least two years and five years have passed since we last had contact with you or
- were a temporary resident who has permanently departed Australia and you did not claim your benefits within six months of the later of the date of your departure or your visa ceasing to be effective (except if you are an Australian or New Zealand citizen). We will make all reasonable efforts to contact you in such circumstances, however, it is important that you notify us of any changes to your details.

Where your benefits become unclaimed money, we are required to pay them to the ATO within certain time frames. After payment to the ATO, we are discharged from any further liability for payment of the benefit and you may claim your benefit by contacting the ATO. In some circumstances, tax may be payable.

We are also required to transfer certain small and insoluble lost accounts to the ATO as unclaimed super where you are a lost member (see above) and:

- the balance of the account is less than \$4,000 (increasing to \$6,000 from 31 December 2016) or
- the account has been inactive for a period of 12 months and we have insufficient records to identify the owner of the account.

Interest will be paid at a rate equivalent to CPI inflation from 1 July 2013 on all lost superannuation accounts reclaimed from the ATO.

## ABRIDGED FINANCIAL INFORMATION

The general purpose financial report for the Fund has been prepared in accordance with the requirements of the Trust Deed, the accounting and disclosure requirements of Australian Accounting Standard AAS 25 - 'Financial Reporting by Superannuation Plans', other applicable Accounting Standards, the requirements of SIS and other relevant legislative requirements.

Abridged financial statements are provided in Appendix 1 for the information of members. Copies of the full audited financial statements and auditor's report are available upon request.

## ALLOCATION OF EARNINGS

All income, including realised and unrealised capital gains, losses and expenses, are brought to account for each investment option and are fully reflected in the unit price of that investment option. Provision for income tax, as appropriate, is allowed for in the unit price for each investment option.

## INTEREST EARNED ON APPLICATION AND WITHDRAWAL ACCOUNTS

Application money and proceeds of withdrawal requests (including pension payments) are held in trust accounts before they're processed. A member of the Perpetual Group retains any interest earned on these accounts.

## SUSPENSION OF APPLICATIONS, SWITCHES AND WITHDRAWALS

In certain emergency situations which impact on the effective and efficient operation of a market for an asset held by an investment option or in circumstances where we otherwise consider it to be in the interests of members, we may choose to suspend the processing of all applications, switches or withdrawals for that investment option. This may include situations where:

- we cannot properly ascertain the value of an asset held by the investment option
- an event occurs that results in Perpetual not being able to reasonably acquire or dispose of assets held by the investment option
- an underlying fund suspends applications and withdrawals
- the law otherwise permits us to delay or restrict processing applications or withdrawals.

Applications, withdrawals or switch requests received during the suspension will be processed using the entry and/or exit price applicable when the suspension is lifted.



## Perpetual Select Super Plan Perpetual MySuper

Perpetual Superannuation Limited ABN 84 008 416 831 AFSL 225246 RSE L0003315  
Perpetual's Select Superannuation Fund ABN 51 068 260 563 RSE R1057034  
MySuper product authorisation number 51068260563643

# PERPETUAL MYSUPER OPT OUT FORM

Please complete this form in black ink using BLOCK letters.

## Client details

name	
client number	account number
<b>current investment strategy</b>	
Please select your current investment option(s):	
<input type="checkbox"/>	Select Super Balanced
<input type="checkbox"/>	Select Super Diversified
<input type="checkbox"/>	Select Super Capital Guaranteed

You should sign, date and return the completed form by mail, fax or email.

By signing this form you are confirming to us that you would like to remain in the Perpetual Select Super Plan (Select Super) in the existing investment options(s) and are therefore opting out of:

- being transferred to Perpetual MySuper;
- having any future contributions received on your behalf being placed in Perpetual MySuper. These will continue to be placed in Select Super as per your current investment strategy. If you would like to change your investment strategy you will need to send us a separate instruction or complete and return the Select Super Switch Request form available on our website; and
- if there is a balance in Perpetual MySuper, it will be transferred to your Select Super account.

signature		date		/		/		
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## Important notes

- Before making a decision you should read the relevant Product Disclosure Statements.
- Any transfers of contributions from Perpetual MySuper to Select Super will incur a buy/sell spread.
- Contributions already received will be transferred from Perpetual MySuper to Select Super effective the date we receive this form (if received by 3.00pm Sydney time). Forms received after that time will be effective the next business day. These contributions will be transferred to your existing Select Super account and invested according to your existing investment strategy.
- The trustee has yet to determine a transfer date of your existing balance in the Select Super. Legislation requires that this date must be before 1 July 2017.

**Phone** 1800 003 001

**Fax** 02 8256 1444

**Mail** Perpetual MySuper, GPO Box 4171, Sydney NSW 2001

**Website** [www.perpetual.com.au](http://www.perpetual.com.au)

**Email** [selectfunds@perpetual.com.au](mailto:selectfunds@perpetual.com.au)

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# APPENDIX 1: ABRIDGED FINANCIAL STATEMENTS

## OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$000	2015 \$000
<b>INCOME</b>		
Contributions – employer	42,722	39,908
Contributions – member	36,280	28,717
Transfers from other funds	40,579	90,856
Dividends/distributions	38,735	37,386
Interest	838	747
Changes in net market value of investments	3,885	87,597
Other income	10,777	12,535
<b>Total income</b>	<b>173,816</b>	<b>297,746</b>
<b>EXPENSES</b>		
Trustee fees	9,179	9,125
Other expenses	7,375	7,801
<b>Total expenses</b>	<b>16,554</b>	<b>16,926</b>
<b>Benefits accrued as a result of operations before income tax</b>	<b>157,262</b>	<b>280,820</b>
Income tax expense/(benefit)	2,174	6,422
<b>Benefits accrued as a result of operations</b>	<b>155,088</b>	<b>274,398</b>
Benefits and pensions paid	(210,274)	(318,569)
Liability for accrued benefits at beginning of year	1,545,377	1,589,548
<b>Liability for accrued benefits allocated to members' accounts</b>	<b>1,490,191</b>	<b>1,545,377</b>

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	2016 \$000	2015 \$000
<b>ASSETS</b>		
Cash and cash equivalents	62,367	43,420
Investments	1,403,806	1,481,050
Distributions receivable	17,688	14,989
Interest receivable	90	63
Current tax asset	-	117
Deferred tax asset	2,135	2,690
Other receivables	7,629	6,674
<b>Total assets</b>	<b>1,493,715</b>	<b>1,549,003</b>
<b>LIABILITIES</b>		
Derivative liabilities	-	895
Payables	3,446	2,731
Current tax liabilities	78	-
<b>Total liabilities</b>	<b>3,524</b>	<b>3,626</b>
<b>Net assets available to pay benefits</b>	<b>1,490,191</b>	<b>1,545,377</b>



**New South Wales**  
Angel Place  
Level 18  
123 Pitt Street  
Sydney NSW 2000

**Queensland**  
Central Plaza 1  
Level 15  
345 Queen Street  
Brisbane QLD 4000

**South Australia**  
Level 11  
101 Grenfell Street  
Adelaide SA 5000

**Victoria**  
Rialto South Tower  
Level 35  
525 Collins Street  
Melbourne VIC 3000

**Western Australia**  
Exchange Plaza  
Level 29  
2 The Esplanade  
Perth WA 6000

[www.perpetual.com.au](http://www.perpetual.com.au)

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