

# ENTERPRISE SUPER

June 30

# 2014

EMPLOYER SPONSORED SUPERANNUATION  
PERSONAL SUPERANNUATION  
PENSION

ANNUAL  
REPORT TO  
MEMBERS



Enterprise Super ABN 32 894 907 884, RSE No R1000146

This Annual Report is issued by Equity Trustees Limited ABN 46 004 031 298, AFSL No. 240975,  
RSE Licence No. L0003094, the Trustee of Enterprise Super.



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## Welcome from the Fund Administrator

Super Managers Funds Administration Pty Ltd is pleased to present this report from Equity Trustees Limited ABN 46 004 031 298 AFS Licence No 240975 RSE Licence No L0003094 (Trustee) of Enterprise Super ABN 32 894 907 884, RSE No R1000146 (Fund) for the year ended 30 June 2014.

We are pleased to advise members that following the strong performance of last year, the Fund has continued to produce sound returns for the 2013/14 financial year. The default Balanced Investment option provided members with a full year return of 10.64%, whilst the Fund's most aggressive option, High Growth, returned 12.28% to those members invested in that option.

The Fund offers a diverse range of investment options to suit your needs and you may alter your investment selection at any time, free of charge. Information and returns for our eight superannuation investment options and five pension investment options are detailed in this report.

As a member of the Fund, you are currently entitled to a wide range of benefits including access to high levels of insurance cover and a wide range of professionally managed investment options. These benefits were outlined and contained in the offer document(s) provided to you when you joined the Fund.

We invite you to visit our website [www.supermanagers.com.au](http://www.supermanagers.com.au) for any information regarding the fund.

If you have any queries regarding your account or the fund, please contact us on 1800 816 575. We will be able to assist you with all aspects of your account, including investment option information, insurance, beneficiary nomination, consolidation of your superannuation accounts & providing access to view your account information through our secure website facility.

## Introduction

Enterprise Super helps you fund for your retirement by providing a benefit that may be taken as either a lump sum or pension on retirement. It may also provide financial assistance for you in the event of your partial or permanent disablement and subsequent withdrawal from the workforce, or for your family in the event of your death.

Your personal or employer sponsored superannuation is being provided through Enterprise Super. Contributions made on your behalf by your employer and any additional contributions by you can be paid into the Fund.

If you are an employer sponsored member, a sub-fund has been established within the Fund specifically for your employer. The Fund provides a range of options enabling the sub-fund to be tailored to meet the individual needs of its participants. This report outlines how the Fund operates and the optional benefits available to you, as well as other information about your fund.

The main features include:

- Lower fees via economies of scale
- Access to a dedicated web site at [www.supermanagers.com.au](http://www.supermanagers.com.au) that allows members to view their monthly account balances and other fund information.
- A choice of eight investment options which are fully diversified and managed by leading fund managers
- Free assistance with consolidation & rollovers from previous employers
- Death, Total and Permanent Disablement and Temporary Income Protection Insurance may also be provided.
- Independent and professional service providers.

For further information relating to the specific details of your membership please contact the fund as detailed below. Please take the time to carefully read this report and retain it for future reference.

If, after reading this report, you have any questions or would like further information, you should contact the Fund Administrator:

Super Managers Funds Administration Pty Ltd  
ABN 74 006 877 872 AFSL No. 246883  
Level 1, 540 Swift Street, Albury, NSW 2640  
Telephone (02) 6041 9300  
Facsimile (02) 6041 9355  
Toll free 1800 816 575

## Disclaimer

Equity Trustees Limited (EQT) ABN 46 004 031 298, AFSL No. 240975, RSE Licence No. L0003094, is the Trustee and Issuer of Enterprise Super RSE No. R1000146 (Fund).

EQT has appointed Super Managers Funds Administration Pty Ltd as the Fund Administrator. The information in this Annual Report is given in good faith and believed to be accurate at the time of production. EQT and SMA receive remuneration from the Fund. EQT does not give any warranty of reliability or accuracy or accept any responsibility arising in any way, including by way of negligence, for errors or omissions herein. Neither EQT, nor any service provider to the Fund, guarantees the investment performance or capital of any investment option. An investment in the Fund does not represent a deposit with or other liability of EQT or any other company, officer, employees or agents associated to EQT.

The information given in this document is of a general nature and has been prepared without taking into account your objectives, individual circumstances, financial situation or particular investment needs. Before making any investment or other decision regarding your investments within the Fund, you should consult a financial adviser.

The Australian Securities and Investments Commission (ASIC) can help you check if your adviser is licensed. Phone ASIC 1300 300 630.

## Professional Service Providers

The following organisations provided specialist services to the Fund during the 2013/14 financial year.

### Trustee & Issuer

Equity Trustees Limited (ABN 46 004 031 298, AFSL No. 240975, RSE Licence No. L0003094), an independent Trustee licenced by the Australian Prudential Regulation Authority (APRA). The Trustee is responsible for ensuring that the Fund is managed in accordance with the Trust Deed and relevant Government legislation. The Trustee acts in the best interest of all members of the Fund and does not favour any particular group.

The Trustee has registered the Fund as a registrable superannuation entity No. R1000146 under Part 2B of the Superannuation Industry (Supervision) Act 1993.

The business address of the Trustee is GPO Box 2307, Melbourne VIC 3001.

The names of the directors of the Trustee who held office during the year are:

- Mr J A (Tony) Killen (Chairman)
- Mr David F Groves (Deputy Chairman)
- Mr Robin B O Burns (Managing Director)
- Ms Alice J M Williams
- The Hon Jeffrey G Kennett AC
- Ms Anne M O'Donnell
- Mr Kevin J Eley

The Trustee has in place Professional Indemnity Insurance. Details of the level of cover are available on request.

### Fund Administrator

Super Managers Funds Administration Pty Ltd

ABN 74 006 877 872 AFSL No. 246883

Level 1, 540 Swift Street, Albury, NSW 2640

Telephone (02) 6041 9300

Facsimile (02) 6041 9355

Toll free 1800 816 575

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

The Fund Administrator is responsible for the day-to-day operation of the Fund and maintains records of contributions, membership and benefits. The Fund Administrator produces the Member Benefit Statement you receive each year, on behalf of the Trustee.



## Promoter

Super Managers Funds Administration Pty Ltd  
 ABN 74 006 877 872 AFSL No. 246883  
 Suite 2 / Level 5, 350 Collins Street, Melbourne, VIC 3000  
 Telephone (03) 9605 3900  
 Facsimile (03) 9605 3999  
 Website: [www.supermanagers.com.au](http://www.supermanagers.com.au)

## Group Insurance - the insurers

The following insurance companies provide Group insurance to the Fund. For details of the insurer relevant to your sub-fund, you should refer to the Insurance Guide of the Product Disclosure Statement (PDS). Please contact the Fund Administrator to obtain the PDS.

### *Death & Total and Permanent Disablement Insurance (if applicable):*

Hannover Life Re  
 Level 7, 70 Phillip Street  
 Sydney, NSW, 2000

CommInsure  
 PO Box 322  
 Silverwater, NSW, 2128

TAL  
 PO Box 142,  
 Milsons Point, NSW, 1565

### *Income Protection:(if applicable)*

Hannover Life Re  
 Level 7, 70 Phillip Street  
 Sydney, NSW, 2000

CommInsure  
 PO Box 322  
 Silverwater, NSW, 2128

TAL  
 PO Box 142,  
 Milsons Point, NSW, 1565

## Underlying Fund Managers

The underlying fund managers utilised in all investment options are selected by the Trustee in consultation with the Fund Investment Manager. For the year ended 30 June 2014 they were:

- BT Funds Management Limited, GPO Box 2675, Sydney NSW, 2001
- Russell Investments Level 29 135 King Street, Sydney NSW, 2000

## Auditor

UHY Haines Norton  
 Level 11, 1 York Street, Sydney, NSW 2000

The financial statements for the Fund must be audited each year. The auditor ensures that the accounts are prepared in accordance with regulatory and accounting practice and standards.

## Investment Manager

The Investment Manager of the Fund is Super Managers Funds Administration Pty Ltd.

## Benefits

### Retirement and Resignation Benefit

You will be entitled to a benefit equal to the balance of your account held within the Fund.

### Death Benefit

You are covered for this benefit 24 hours a day, seven days a week, whether you are at work or not. In the event of your death, the benefit payable is a lump sum comprising:

- The amount of your accumulation within the fund; plus,
- The amount of any insurance cover (if applicable). Please refer to your annual Member Benefit Statement to determine your level of insurance cover (if applicable).

### Payment of the Death Benefit

The Trustee may pay the Death Benefit to one or more of:

- your dependants; or
- the legal personal representative (LPR) of your estate; or
- if you have no dependants or LPR to such other person or persons as the Trustee determines.

Your dependants include your spouse (legal or de facto), children, financial dependants or anyone in an interdependency relationship.

Unless you have a valid binding death nomination at the date of your death, the Trustee will exercise its discretion as to which of your dependants and/or LPR receive the benefit and in what proportions. The Trustee is bound by law to undertake a careful examination of a member's personal situation in the event of a death claim to ensure the rightful persons are paid any entitlement. To ensure your entitlement is distributed as per your intent, it is in your interest to nominate your preferred dependant(s).

Binding nominations are an additional option available to members. A binding nomination is valid for three years from the date of nomination. A valid binding nomination in the event of your death ensures that the Trustee will distribute your benefit in accordance with your nomination.

Forms for binding & non-binding nominations are available at the fund website [www.supermanagers.com.au](http://www.supermanagers.com.au).

It is always advisable to make a Will. However, it is important to understand that the Death Benefit payable by the Fund does not form part of your estate and cannot be distributed according to your Will unless the Trustee determines to pay your death benefit to your estate.

## Total and Permanent Disablement Benefit

You are covered against Total and Permanent Disablement, 24 hours a day, seven days a week whether you are at work or not. If you believe that you may qualify for this benefit, please contact the Fund Administrator.

In the event of a claim being accepted by the Trustee for Total and Permanent Disablement, the benefit payable is a lump sum, which consists of:

- The amount accumulated in your superannuation benefit account; plus
- The amount of your insured benefit (if applicable). Please refer to your annual Member Benefit Statement to determine your level of insurance cover (if applicable).

## Income Protection Insurance

Members can be covered for injury or illness 24 hours a day, seven days a week. Income Protection Insurance provides an income benefit of a percentage of your salary following completion of the eligible waiting period and subject to you meeting the relevant disability definition under the insurance policy.

The benefit is available to members if the employer has chosen to include this benefit within the sub-fund design, or the member has directly applied for and been approved for this benefit.

If applicable, details are shown on your annual Member Benefit Statement.

## Adjustment of Benefit if the Insurance is Refused

All insurance claims are subject to the terms, conditions and restrictions outlined in the Insurer's policy. Please note that Death, Total and Permanent Disablement and/or Income Protection Insurance benefits may be reduced by any amount for which the Trustee is unable to arrange or claim insurance.

## Investments

You can choose the way your money is invested in the Fund by selecting one or more of the eight investment options available. Each investment option has a different degree of investment risk, together with a different investment objective regarding the level of earnings. This is because each option is made up of different proportions of growth assets and defensive assets (see below for an explanation of these terms).

When choosing your investment option you should choose the investment option/s which best meets your personal investment objectives. Some of the factors which you should consider based on your personal circumstances include the:

- amount of time your money will be invested before you use it in retirement;
- level of investment earnings you are hoping for; and
- level of risk you are comfortable with for your retirement savings.

### Investment Background

#### *Growth assets*

Growth assets include Australian and International equities and Property. Growth assets generally provide relatively higher rates of return over the longer term, with a corresponding higher level of risk and increased volatility (i.e. increased chance of loss or a negative return).

#### *Defensive assets*

Defensive assets include Australian and international fixed interest, short term interest securities and cash. Defensive assets generally have a lower level of risk and lower returns over the long term.

#### *Growth vs. Defensive assets*

If you are investing over the longer term then an investment option with exposure to growth assets might be suitable. Generally the longer you hold growth assets, the more likely they are to provide you with a better return. If you are investing for a short time, then defensive assets will potentially be more important in your investment portfolio. Ultimately, any decision should be made having regard to your own personal needs, objectives and circumstances. You should seek professional advice from a financial adviser.

### Risk Profile

Risk relates to the level of volatility in investment returns and you should therefore consider what type of investor you are in terms of risk and your personal circumstances. Your risk profile will depend on a number of factors including your timeframe for investment and view of the relationship between risk and potential return. This includes acceptance of the potential loss of some of your capital in the short-term and the potential risk that your retirement goals will not be met.

## Diversification

Diversification is used to reduce investment risk. Diversification is achieved by:

- investing through different fund managers and other investment providers;
- investing in different asset classes (Australian and International equities, Australian and International fixed interest, Property, cash and short term securities); or
- a combination of both of the above.

Diversification gives members access to both different styles of investing and a spread amongst different asset classes that can reduce the chance of poor returns.

All investment options detailed below (with the exception of cash) that are currently offered to members are diversified.

To ensure both strong and stable long term results, only reputable fund managers with a proven track record in their area of expertise are used for these investment options.

## Investment Options

The investment options have been structured in line with the Fund's investment strategy, having regard to risk, return, diversity, liquidity, cash flow requirements and the ability to discharge any liabilities of the Fund.

The Trustee does not directly use or invest in derivatives but may indirectly do so should one of its underlying investment managers use them. Members are able to choose one or more of the eight investment options available for selection. These options have been structured in order to make them easy to understand.

You should be aware that the earnings of the eight investment options are subject to fluctuations in the investment markets.

The investment options vary in their mix between defensive assets and growth assets as shown in the following table:

<i>Investment</i>	<i>% Target Growth Assets</i>	<i>% Target Defensive Assets</i>
High Growth	94	6
Growth	80	20
Balanced	66	34
Managed	52	48
Stable	39	61
Conservative	26	74
Secure	13	87
Cash	0	100

The above target percentages for growth and defensive assets provide a summary of the expected mix of growth and defensive assets. However, the actual mix may vary over time. The actual asset allocation ranges for each investment option are detailed later in this Annual Report.

## Default Investment Option

If you do not choose an investment option within the Fund, your contributions and any rollovers will be invested in the Balanced Default investment option. The default option will remain your investment option until you choose an alternative investment option. From 1 January 2014, if you haven't chosen an investment option all default contributions must be paid to a My Super product.

## Switching

You may switch investment options at any time without being charged a fee. A buy-sell spread may apply (refer to the Investment Guide of the Product Disclosure Statement (PDS)). You may make an investment switch by completing an Investment Portfolio Update form downloaded from the Fund's website or by contacting the Fund Administrator. The new selection takes effect from the next valuation after the Fund Administrator receives the request and earnings on the new option(s) will apply from that time.

## Investment Option Profiles

Important terms used in the description of Investment Options:

### *Investment Objective*

This is the goal of each investment option. None of the objectives described below are an indication of the possible future performance of the relevant investment option, or of the Fund in the future.

### *Investment Strategy*

Each strategy described below for a particular investment option is the means by which the investment option seeks to achieve its investment objective and the grounds on which the investment options' objectives are set.

### *Asset Allocation*

The Asset Allocation is the percentage invested in each asset class. The actual mix is subject to review and will vary within the range.

### *Annual Effective Rates of Net Return*

The annual effective rates of net return detailed below are to 30 June 2014. Updates of returns for subsequent periods can be found on the Fund's website [www.supermanagers.com.au](http://www.supermanagers.com.au) or can be provided by the Fund Administrator.

All returns quoted are net of any taxes and fees charged for the investment of the various investment options. They do not include management fees in relation to the administration of the Fund. Refer to the attachment accompanying this report for details of fees applicable to you or your employer's sub-fund.

The Trustee and Fund Administrator do not guarantee any of the investment returns of the investment options. The value of your investment in the Fund may fluctuate due to investment market conditions. Past performance should not be taken as an indication of future performance.

### **Indirect Cost Ratio**

Indirect Cost Ratio (ICR) is an estimate representing the ratio of the Funds investment management costs that are calculated in the unit price. It includes the fund management fees of wholesale fund managers and an allowance for fees and costs payable to Super Managers Funds Administration Pty Ltd, the current investment manager of the Fund. The ICR is an estimate only and may vary from time to time.

You can access the most up to date information on the ICR by going to the Fund's web site at [www.supermanagers.com.au](http://www.supermanagers.com.au) or by contacting the Fund Administrator.

### **Investment Policy**

The Trustee invests the assets of the Fund with leading fund managers in accordance with the investment policy, which has been formally set out for the Fund by the Trustee.

### **Investment Earnings**

All amounts received into your account buy units in the options(s) you have chosen, or the default option if you have not made a choice.

Unit pricing is the method that is used to represent the daily value of your benefit as a unitised amount as well as a dollar amount. Each investment option may invest in several managed funds, each having their own unit price which move up or down, reflecting the investment returns (positive or negative) of each fund.

Unit prices fluctuations, reflecting the investment performance of the units held in each option, include income and capital gains. When investment earnings are positive, the unit price goes up. Conversely, the unit price goes down when investment earnings are negative.

### **Unit Pricing**

The Fund calculates the value of your investments by unit pricing. The value of your investment is calculated by the number of units you hold multiplied by the unit price. For example if you hold 10,000 units at a unit price of \$1.50, your account balance is \$15,000.

Unit prices are calculated and declared at the close of business each Friday and at the end of each month. Applications received to buy, sell or switch units will be processed at the next unit price. For example, the end of week price is used for applications received during that week.

An allocation for an expense recovery fee to cover usual anticipated fund expenses such as legal fees, other non standard operating expenses, APRA levies and audit fees is deducted from the unit price.

# Superannuation Investment Options

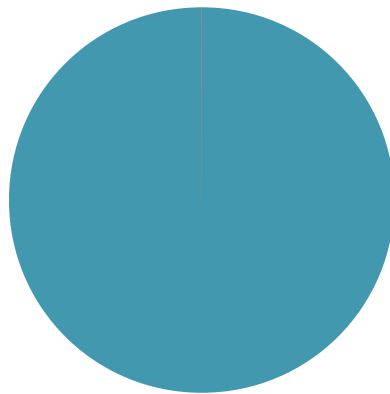
## Cash

### Investment Objective

To provide a low risk investment option that earns a secure rate of interest. To achieve a rate of return after tax and fees that exceeds the increase in the Consumer Price Index (CPI) over rolling five year periods.

### Investment Strategy

To achieve this objective, the Trustee invests 100% in cash. Cash is a defensive asset class with low volatility and low risk but which yields lower returns than growth assets over the long term.



Asset Class	Range %	30 June 2014	30 June 2013
Cash	100	100%	100%

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2014

30 June 2014	1.17%
30 June 2013	1.88%
30 June 2012	3.50%
30 June 2011	3.28%
30 June 2010	3.06%

1 Year	1.17%
3 Year	2.18%
5 Year	2.57%
10 Year	3.42%

**Current Indirect Cost Ratio (ICR):** 1.05%



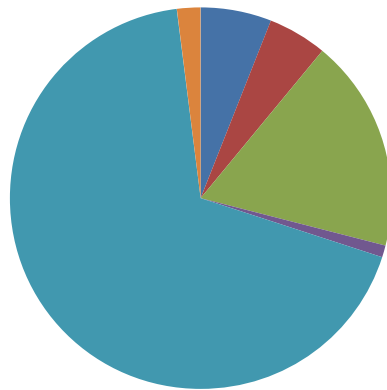
## Secure

### *Investment Objective*

To provide a rate of return that, over the longer term, has some limited opportunity for growth if investment markets rise, but with a high priority on preservation of capital. To achieve a rate of return after tax and fees that exceeds the increase in the Consumer Price Index (CPI) by at least 0.5% pa over rolling five year periods.

### *Investment Strategy*

To achieve this objective, the Trustee invests predominantly in a mixture of cash and Australian fixed interest assets to achieve a degree of security with potential for limited growth.



Asset Class	Range %	30 June 2014	30 June 2013
Australian Equities	0-15	6%	5%
International Equities	0-10	5%	4%
Fixed Interest	10-25	18%	20%
Property	0-10	1%	1%
Cash	65-75	68%	67%
Alternatives	0-5	2%	3%

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2014

30 June 2014	3.38%
30 June 2013	4.51%
30 June 2012	3.98%
30 June 2011	4.19%
30 June 2010	5.61%

1 Year	3.38%
3 Year	3.95%
5 Year	4.33%
10 Year	4.15%

**Current Indirect Cost Ratio (ICR):** 1.22%

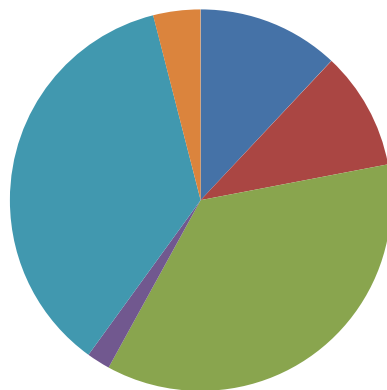
## Conservative







### Investment Objective

To provide a rate of return that, over the longer term, has a low degree of volatility but has some opportunity for growth. To achieve a rate of return after tax and fees that exceeds the increase in the Consumer Price Index (CPI) by at least 1.0% pa over rolling five year periods.

### Investment Strategy

The conservative option has a higher exposure to investments in Australian equities, international equities and Australian fixed interest and a lower exposure to cash when compared to the Secure option. The higher weighting is to increase the returns over the long term.



Asset Class	Range %	30 June 2014	30 June 2013
 Australian Equities	0-25	12%	11%
 International Equities	0-20	10%	8%
 Fixed Interest	25-45	36%	41%
 Property	0-15	2%	1%
 Cash	30-50	36%	34%
 Alternatives	0-10	4%	5%

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2014

30 June 2014	5.45%
30 June 2013	7.27%
30 June 2012	4.20%
30 June 2011	4.66%
30 June 2010	7.00%

1 Year	5.45%
3 Year	5.63%
5 Year	5.71%
10 Year	4.76%

**Current Indirect Cost Ratio (ICR):** 1.37%

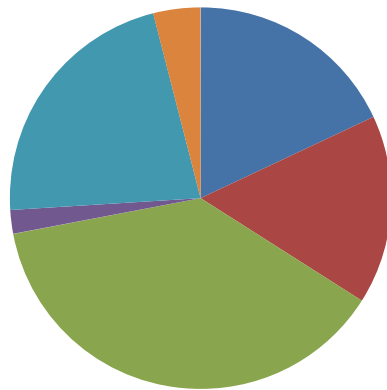
## Stable

### Investment Objective

To provide a rate of return that, over the longer term, provides a reasonable degree of stability and is rarely negative over any financial year. To achieve a rate of return after tax and fees that exceeds the increase in the Consumer Price Index (CPI) by at least 1.5% pa over rolling five year periods.

### Investment Strategy

The Stable option has a higher exposure to investments in Australian equities, international equities and Australian fixed interest and a lower exposure to cash when compared to the Secure and Conservative options.



Asset Class	Range %	30 June 2014	30 June 2013
Australian Equities	5-30	18%	16%
International Equities	5-30	16%	14%
Fixed Interest	25-50	38%	42%
Property	0-15	2%	2%
Cash	10-35	22%	19%
Alternatives	0-10	4%	7%

Annual Effective Year Ended	Rates of Net Return Annual Return	Average Compound Effective Rates of Net Return to 30 June 2014	
30 June 2014	7.32%	1 Year	7.32%
30 June 2013	9.86%	3 Year	6.64%
30 June 2012	2.86%	5 Year	6.72%
30 June 2011	5.29%	10 Year	5.22%
30 June 2010	8.42%		

**Current Indirect Cost Ratio (ICR):** 1.50%

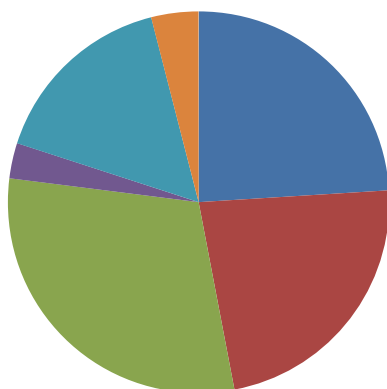
## Managed

### Investment Objective

To provide a rate of return that, over the longer term, is higher than that of the Stable option and is rarely negative over any two financial years. To achieve a rate of return after tax and fees that exceeds the increase in the Consumer Price Index (CPI) by at least 2.0% pa over rolling five year periods.

### Investment Strategy

The Trustee aims to avoid negative returns over any two financial years by maintaining a significant exposure to defensive assets such as Australian fixed interest and cash.



Asset Class	Range %	30 June 2014	30 June 2013
Australian Equities	10-35	24%	22%
International Equities	10-35	23%	20%
Fixed Interest	20-45	30%	35%
Property	0-15	3%	3%
Cash	5-25	16%	13%
Alternatives	0-10	4%	7%

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2014

30 June 2014	8.86%
30 June 2013	12.36%
30 June 2012	1.66%
30 June 2011	5.53%
30 June 2010	9.35%

1 Year	8.86%
3 Year	7.37%
5 Year	7.39%
10 Year	5.59%

**Current Indirect Cost Ratio (ICR):** 1.52%

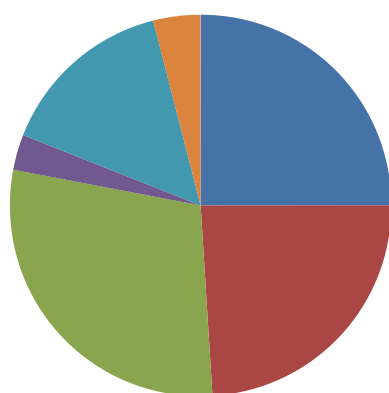
## Balanced

### Investment Objective

To provide a rate of return that, over the longer term, is higher than that of the Managed option and is rarely negative over any period of three financial years. To achieve a rate of return after tax and fees that exceeds the increase in the Consumer Price Index (CPI) by at least 2.5% pa over rolling five year periods.

### Investment Strategy

To achieve a rate of return higher than that of the Managed option, expected exposure to growth assets is increased to 66%. This weighting increases the risk of negative returns in the short term but also provides the potential for higher returns than the Managed option in the long term.



Asset Class	Range %	30 June 2014	30 June 2013
Australian Equities	20-40	25%	28%
International Equities	20-40	24%	26%
Fixed Interest	20-40	29%	27%
Property	0-20	3%	4%
Cash	0-15	15%	6%
Alternatives	0-15	4%	9%

Annual Effective Year Ended	Rates of Net Return Annual Return	Average Compound Effective Rates of Net Return to 30 June 2014	
30 June 2014	10.64%	1 Year	10.64%
30 June 2013	15.50%	3 Year	8.64%
30 June 2012	0.35%	5 Year	8.43%
30 June 2011	5.98%	10 Year	6.17%
30 June 2010	10.30%		
<b>Current Indirect Cost Ratio (ICR):</b>		1.54%	

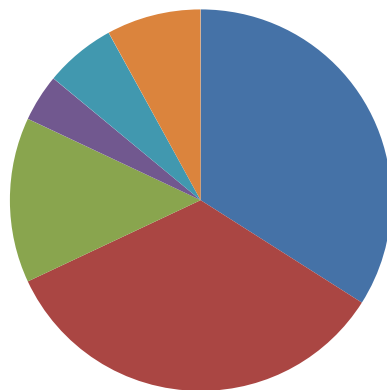
## Growth

### Investment Objective

To achieve a long term rate of return that is higher than that of the Balanced option and is rarely negative over any period in excess of five years. To achieve a rate of return after tax and fees that exceeds the increase in the Consumer Price Index (CPI) by at least 3.0% pa over rolling five year periods.

### Investment Strategy

The exposure to growth assets is higher than that of the Balanced option to achieve higher returns over the long term.



Asset Class	Range %	30 June 2014	30 June 2013
Australian Equities	20-50	34%	34%
International Equities	20-50	34%	31%
Fixed Interest	5-30	14%	17%
Property	0-20	4%	4%
Cash	0-15	6%	4%
Alternatives	0-15	8%	10%

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2014

30 June 2014	11.38%	1 Year	11.38%
30 June 2013	18.26%	3 Year	9.17%
30 June 2012	- 1.22%	5 Year	9.06%
30 June 2011	6.51%	10 Year	6.54%
30 June 2010	11.32%		

**Current Indirect Cost Ratio (ICR):** 1.58%

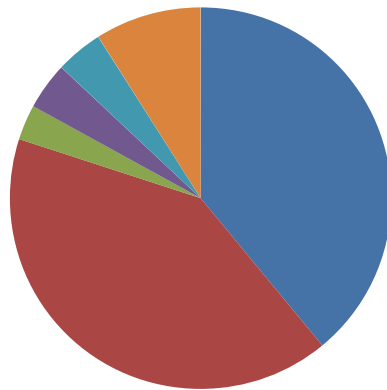
## High Growth

### *Investment Objective*

To maximize investment growth over the long term. To achieve a rate of return after tax and fees that exceeds the increase in the Consumer Price Index (CPI) by at least 3.5% pa over rolling five year periods.

### *Investment Strategy*

The asset weightings are represented predominantly by Australian and International equities to maximize capital growth. Growth assets provide a higher rate of return over the long term. However, the volatility and risk is also higher than with defensive assets.



Asset Class	Range %	30 June 2014	30 June 2013
Australian Equities	30-55	39%	39%
International Equities	30-55	41%	38%
Fixed Interest	0-15	3%	5%
Property	0-20	4%	4%
Cash	0-10	4%	5%
Alternatives	0-15	9%	9%

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2014

30 June 2014	12.28%	1 Year	12.28%
30 June 2013	21.13%	3 Year	9.63%
30 June 2012	- 3.12%	5 Year	9.42%
30 June 2011	6.62%	10 Year	6.89%
30 June 2010	11.64%		

**Current Indirect Cost Ratio (ICR):** 1.63%

# Pension Investment Options

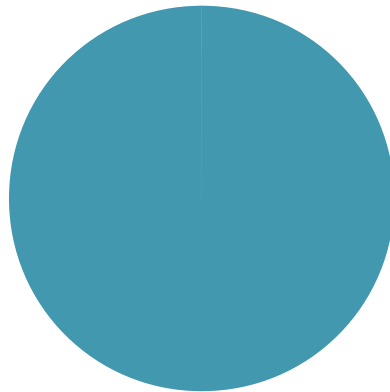
## Cash Exempt

### Investment Objective

To provide a low risk investment option that earns a secure rate of interest.

### Investment Strategy

To achieve this objective the Trustee invests 100% in cash. Cash is a defensive asset class with low volatility and low risk and therefore yields lower returns than growth assets over the long term.



Asset Class	Range %	30 June 2014	30 June 2013
Cash	100	100%	100%

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2014

30 June 2014	3.13%
30 June 2013	4.48%
30 June 2012	4.90%
30 June 2011	4.54%
30 June 2010	3.93%

1 Year	3.13%
3 Year	4.17%
5 Year	4.20%
Since Inception	4.38%
(inception date: 1 July 2007)	

**Current Indirect Cost Ratio (ICR):** 1.17%



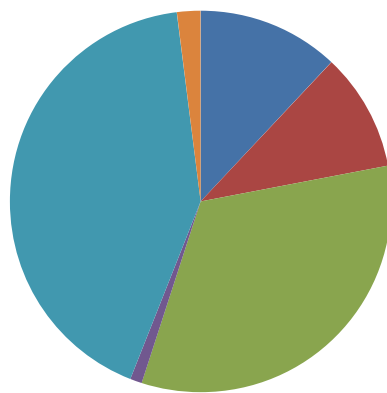
## Defensive Exempt

### Investment Objective

To provide a rate of return that, over the long term, has a low degree of volatility but some opportunity for growth.

### Investment Strategy

The asset sector weightings highlight the fact that the defensive exempt option has a higher exposure to investments in Australian equities, international equities and Australian fixed interest sectors and a lower exposure to cash when compared with the cash exempt option. The higher weighting in growth assets, compared to the cash exempt option is to increase the returns over the long term. Asset allocations may vary from time to time and the likely range is shown below.



Asset Class	Range %	30 June 2014	30 June 2013
Australian Equities	0-25	12%	10%
International Equities	0-20	10%	8%
Fixed Interest	25-45	33%	39%
Property	0-15	1%	1%
Cash	30-50	42%	37%
Alternatives	0-10	2%	5%

### Annual Effective Rates of Net Return

Year Ended	Annual Return
30 June 2014	6.25%
30 June 2013	7.54%
30 June 2012	6.01%
30 June 2011	6.43%
30 June 2010	8.31%

### Average Compound Effective Rates of Net Return to 30 June 2014

1 Year	6.25%
3 Year	6.60%
5 Year	6.91%
Since Inception	4.64%

(inception date: 1 July 2007)

**Current Indirect Cost Ratio (ICR):** 1.71%

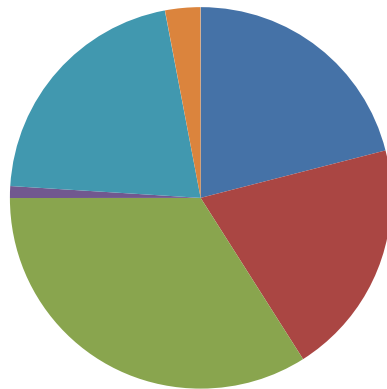
## Moderate Exempt

### Investment Objective

To achieve a rate of return that, over the long term is higher than the defensive exempt option and that is rarely negative over two financial years.

### Investment Strategy

The Trustee aims to avoid negative returns over any two financial periods by maintaining a significant exposure to defensive assets such as Australian fixed interest and cash investments. Asset



Asset Class	Range %	30 June 2014	30 June 2013
Australian Equities	10-30	21%	19%
International Equities	10-30	20%	17%
Fixed Interest	25-50	34%	38%
Property	0-15	1%	3%
Cash	5-30	21%	17%
Alternatives	0-10	3%	6%

allocations may vary from time to time and the likely range is shown below.

Annual Effective Year Ended	Rates of Net Return Annual Return	Average Compound Effective Rates of Net Return to 30 June 2014	
30 June 2014	8.64%	1 Year	8.64%
30 June 2013	10.57%	3 Year	8.21%
30 June 2012	5.47%	5 Year	8.21%
30 June 2011	6.74%	Since Inception	4.31%
30 June 2010	9.72%	(inception date: 1 July 2007)	
<b>Current Indirect Cost Ratio (ICR):</b>		1.87%	

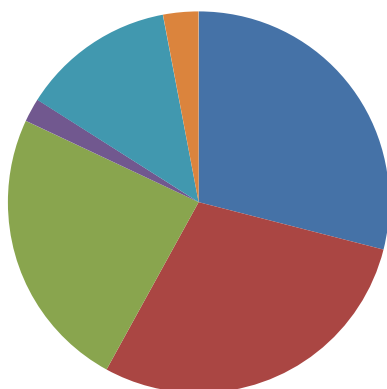
## Assertive Exempt

### Investment Objective

To provide a rate of return higher than the moderate exempt option over the long term and is rarely negative over any period of three financial years.

### Investment Strategy

To achieve a rate of return higher than the moderate exempt option. This option weighting increases the risk of negative returns in the short term but also provides the potential for higher returns than the moderate exempt option in the long term. Asset allocations may vary from time to time and the likely range is shown below.



Asset Class	Range %	30 June 2014	30 June 2013
Australian Equities	20-40	29%	27%
International Equities	15-40	29%	25%
Fixed Interest	20-40	24%	27%
Property	0-20	2%	4%
Cash	0-15	13%	8%
Alternatives	0-15	3%	9%

Annual Effective Year Ended	Rates of Net Return Annual Return	Average Compound Effective Rates of Net Return to 30 June 2014	
30 June 2014	10.71%	1 Year	10.71%
30 June 2013	14.89%	3 Year	9.76%
30 June 2012	3.96%	5 Year	9.44%
30 June 2011	7.02%	Since Inception	3.84%
30 June 2010	10.94%	(inception date: 1 July 2007)	
<b>Current Indirect Cost Ratio (ICR):</b>		1.89%	

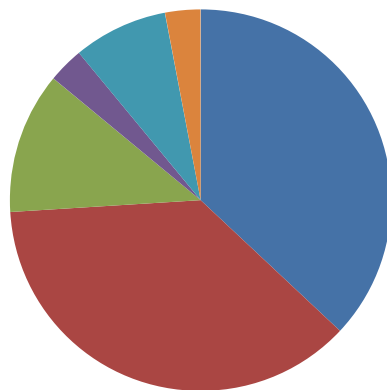
## Aggressive Exempt

### Investment Objective

To provide a rate of return higher than the moderate exempt option over the long term and is rarely negative over any period of three financial years.

### Investment Strategy

To achieve a rate of return higher than the moderate exempt option. This option weighting increases the risk of negative returns in the short term but also provides the potential for higher returns than the moderate exempt option in the long term. Asset allocations may vary from time to time and the likely range is shown below.



Asset Class	Range %	30 June 2014	30 June 2013
Australian Equities	25-50	37%	35%
International Equities	25-50	37%	33%
Fixed Interest	5-25	12%	13%
Property	0-20	3%	4%
Cash	0-15	8%	5%
Alternatives	0-15	3%	10%

Annual Effective Year Ended	Rates of Net Return Annual Return	Average Compound Effective Rates of Net Return to 30 June 2014	
30 June 2014	12.78%	1 Year	12.78%
30 June 2013	18.02%	3 Year	10.81%
30 June 2012	2.21%	5 Year	10.36%
30 June 2011	7.45%	Since Inception	3.24%
30 June 2010	11.99%	(inception date: 1 July 2007)	

**Current Indirect Cost Ratio (ICR):** 1.91%

# Account Structure

## Your Member Account

Upon joining the Fund, a member account will be established for you and your money invested in the investment option that you have chosen. If you have not chosen an investment option(s), your money will be invested in the Balanced Default investment option. From 1 January 2014, all default contributions must be made to a My Super product.

### *Your member account in the Fund comprises:*

- contributions made by or in respect of you
- contribution splitting amounts
- rollovers and transfers
- earnings resulting from the investment option chosen (positive or negative)

### *Less*

- taxes
- surcharge (if applicable)
- fees
- insurance premiums (if applicable)
- benefits paid
- payments pursuant to the Family Law Act 1975 (Cth)
- rollovers or transfers to other funds and
- any other amounts payable

Please refer to your Member Benefit Statement for the period ending 30 June 2014 for a complete summary of the contributions, fees and charges applicable to your account for the 2013/14 Financial Year.

## Insurance

Insurance is designed to provide financial security for you and your family. Insurance cover under this policy is valid 24 hours a day, seven days a week. Please refer to your latest annual Member Benefit Statement to determine the level of insurance you are covered for (if applicable).

### Type of Insurance Cover Provided

Sub-funds and personal plans may offer either Death only or Death and Total and Permanent Disablement cover. In addition Income Protection Insurance may also be provided.

The terms and conditions of any such insurance cover that you may hold were advised to you on joining the Fund. Insurance cover details are also set out in the Insurance Guide of the PDS for you or for your employer's sub-fund. You may obtain a copy of the PDS by contacting the Fund Administrator.

Should you wish to discuss your insurance cover options, please contact the Fund Administrator.

### Premium Rates and Scales of Insurance Cover

In most cases, a member's occupation will determine the premium or level of insurance cover applying to the member. Premiums payable generally increase as you age. Conversely, insurance cover reduces with increasing age, if the premium payable is fixed. Details of the premium paid for the previous financial year and your level of insurance cover, are shown on your annual Member Benefit Statement.

### Termination of Insurance Cover (employer sub – fund only)

Depending on your particular employer sub-plan, any insurance cover held may continue post your termination with your employer. Information regarding the termination of your insurance cover is available by viewing the PDS Insurance Guide for your particular sub-plan.

Circumstances in which your cover will terminate include the following;

- There are insufficient funds in the member account to meet the next premium due;
- The member ceases to be a member of this Fund;
- The member reaches retirement age ;
- The member joins any armed forces; or
- The insurer admits a claim.

You may cease insurance cover at any time by writing to the Fund Administrator.

## Continuation Option (employer sub - fund only)

If you are covered by a Group Insurance Policy and you cease employment with your employer, you may be able to exercise a continuation option. This option would allow you to continue your Death insurance cover without the need to provide health evidence. As time limits apply, you must ensure that you contact the Fund Administrator before the end of the expiry period which is 30 days after the date you cease employment.

## Preservation

As part of the Federal Government's retirement and income policy, preservation is designed to ensure that a person's superannuation benefits are retained for use in retirement. This means that part or all of your benefits may not be paid to you until you meet a condition of release as follows:

- Attain age 65 years;
- Leave employment on or after age 60 years; or
- Retire permanently from the workforce on or after your preservation age (see below); or
- Become totally and permanently disabled, suffer a Terminal Medical Condition or die; or
- The Trustee is satisfied that special circumstances exist and approves the early release of your benefit (e.g. in cases of severe financial hardship); or
- Any other circumstances in which the law permits early release of your benefits.

## Preservation Age

Your preservation age is dependent upon your date of birth, according to the following table:

<i>Date of Birth</i>	<i>Preservation Age</i>
Before July 1960	55 years
1 July 1960 to 30 June 1961	56 years
1 July 1961 to 30 June 1962	57 years
1 July 1962 to 30 June 1963	58 years
1 July 1963 to 30 June 1964	59 years
After 30 June 1964	60 years

## Preserving Your Benefit

The preserved part of your benefit must remain in an approved fund where it will be invested until you or your dependants are eligible to receive the benefit.

## Rolling Over Your Benefit

Sometimes it may be compulsory to preserve or transfer your benefits when you leave your employer. Sometimes, though, some or all of your benefit may be taken in cash. However, there may be advantages to rolling over any part of your benefit, even once you are eligible to take your benefit in cash. You may be able to defer the payment of tax on your benefit by rolling over and deferring access to your benefit until you have reached preservation age and have retired from the workforce.

## Leaving Your Employer (employer sub-fund only)

If you cease employment with your employer, you are no longer be eligible to remain a member of your employer's superannuation sub-fund. On receipt of the notification of your termination of employment, the Trustee will rollover your entitlement to the Personal Division of the Fund.

If your insurance cover is able to be transferred, we will transfer your insurance cover to the Personal Division. If your insurance cover is unable to be transferred you will receive information from the Fund Administrator concerning the possible continuation of your insurance either by mail or by referring to your PDS Insurance Guide or by contacting the Fund Administrator on 1800 816 575.

The Fund does not have an Eligible Rollover Fund (ERF) Policy and members accounts will not be transferred to an ERF. Your account will be rolled over to the Personal Division of the Fund. In the event your account becomes inactive or lost (in accordance with current legislation and the approval of the Trustee) your account balance may be transferred to the ATO.

## Taxation

The information below is based on the law as it currently applies. Taxation rules are quite complex and can vary according to individual circumstances. It is important for you to seek financial advice at the time you become entitled to a benefit. When you are paid a lump sum, you will receive a cheque, a statement giving all the relevant details and a PAYG Payment Summary which details the tax deducted from your benefit. This paperwork should be retained for your personal taxation return.

### Taxation of Benefits

- ***Removal of taxation on benefits***

Superannuation benefits paid either as a lump sum or a pension are tax-free for individuals aged 60 years and over.

- ***Simplification of taxation of benefits***

Individuals aged less than 60 years are taxed on their lump sum and pension benefits but under more streamlined arrangements than previously applied.



## Failure to provide a Tax File Number (TFN)

If you fail to provide your superannuation fund with your tax file number:

- tax at the rate of 32.0% (plus 15% contributions tax) will be deducted from your account on concessional contributions;\*
- you will not be allowed to make non-concessional contributions;
- you may pay more tax on your benefits than you would otherwise need to (you may be able to reclaim this through the income tax assessment process); and
- it may be more difficult to trace benefits from previous funds, to consolidate your benefits or to pay your benefits to you.

\* The exception to this will be where a member joined the Fund prior to 1 July 2007 and the total assessable contributions for the year were less than \$1,000.

Tax may be refunded where a valid TFN has been provided to the fund within 4 years of the tax being deducted.

## General

### Trust Deed

The Fund has been established by a document of trust (the Trust Deed) which describes the duties and rights of all participants in the Fund. Participants include the Trustee, your employer, members and members' dependants. The Trust Deed sets out the rules under which the Fund is administered and benefits are paid. A copy of the Trust Deed is available for inspection from the Fund Administrator, upon request.

### Changes to the Fund

There were no significant changes made to the Trust Deed during the reporting period. A supplemental deed was executed on 14 August 2013 authorising the change of name from General Retirement Plan to Enterprise Super.

### Member Benefit Protection

Government Regulations require administration charges on member accounts of less than \$1,000 to be limited to the income credited (if any) to the account plus \$10 in any financial year, except in limited circumstances. The intention of the legislation is to protect, where possible, members with small account balances against erosion of their benefits due to administration charges. No limitations apply to deductions for contributions tax or insurance.

## Loans

Your benefit cannot be used as security for a loan, nor can your benefit from the Fund be signed over to any other party.

## Finding Lost Super

The Fund can assist you in locating your lost superannuation entitlements, perhaps from previous employment. To take advantage of this free service, call our Toll Free Super Hotline 1800 816 575.

## Government Co-Contribution

For the 2013/2014 financial year, if your total income was \$33,516 or less, the Government will contribute \$0.50 for every \$1 of after-tax personal member contributions with a maximum co-contribution of \$500. The level of Government co-contribution available to you then reduces as your income increases. If your total income was more than \$33,516 but less than \$48,516 in the financial year, the Government co-contribution is available but paid at a reduced level. If your total income was \$48,516 or more in the financial year, you are not entitled to a Government co-contribution.

For the 2014/2015 financial year, indexing of the income thresholds means that the Government co-contribution will be available from \$34,488 to \$49,488.

## Contribution Caps

From 1 July 2014, the concessional contributions cap for those aged 50 and over has increased to \$35,000, which was previously only available to those aged 60 and over at 1 July 2013.

For those under 50 years of age as at 1 July 2014, the concessional contributions cap has increased to \$30,000.

The concessional cap is periodically increased in line with Average Weekly Ordinary Times Earnings in \$5,000 increments. After a pause in the indexation of the concessional contributions cap at \$25,000 for the 2013 /2014 financial year, normal indexation resumed for the 2014/15 financial year.

The non-concessional contributions cap remained at \$150,000 for the 2013/14 financial year. The cap will increase to \$180,000 for the 2014/2015 financial year. People under 65 years old may be able to make non-concessional contributions of up to three times their non-concessional contribution caps over a three-year period. This is known as the 'bring forward' option.

The bring-forward cap is three times the non-concessional contributions cap of the first year. If brought forward, your contributions in 2014/2015 would be  $3 \times \$180,000 = \$540,000$ .

**You should consult a licenced financial planner for more information on how the contribution caps may affect your superannuation.**

## Exceeding the Contribution Cap

Superannuation contributions are subject to contribution caps with strict penalties in place if these limits are exceeded. **The fund does not monitor the contribution cap for concessional contributions (e.g. employer contributions / salary sacrifice). For personal contributions, the fund does not monitor the aggregate amount. It is the responsibility of the member to ensure they do not exceed these caps through multiple contributions.**

**If you exceed the contributions cap, you will be personally liable for the excess contribution tax for amounts above the caps, but you can elect for this to be deducted from your account balance.**

The excess concessional contributions will be taxed at the individual's marginal tax rate, plus an interest charge on the excess contributions.

Further information on contribution caps is available in the Fund Product Disclosure Statement, or by contacting the Fund Administrator on 1800 816 575.

## Fairer taxation of excess Concessional Contributions

Under previous arrangements, excess concessional contributions were effectively taxed at the top marginal rate of 46.5%, rather than the normal rate applied to these contributions of 15%. In addition, individuals were only able to withdraw excess concessional contributions the first time they make an excess contribution after 1 July 2011 and only up to a maximum amount of \$10,000.

For the 2013/14 financial year onwards, excess concessional contributions are no longer subject to excess contributions tax. If an individual's contributions exceed the cap, the amount will now be included in the individual's assessable income and taxed at individual's marginal tax rate, rather than the excess concessional contributions tax rate previously at 31.5%.

The individual will also have to pay an Excess Concessional Contributions (ECC) charge on the increase in their tax liability. This charge is applied to recognise that the tax on excess concessional contributions is collected later than normal income tax.

To reduce the individual's tax liability, the tax office will apply a 15% tax offset to account for the contributions tax that has already been paid by the super fund provider.

The individual may also elect to withdraw up to 85% of their excess concessional contributions from their superannuation fund to help pay the income tax assessment when the individual has excess concessional contributions. Any excess concessional contributions withdrawn from the individual's fund will also no longer count towards their non-concessional contributions cap.

## Superannuation Threshold for 2014/2015 financial year

Provided in the below table are the superannuation and taxation threshold amounts to apply during the 2014/15 financial year.

<i>Threshold</i>	<i>2014/2015</i>
<b>Concession contribution cap (per annum)</b>	
• Standard (under 50)	\$ 30,000
• Aged 50 and over	\$ 35,000
<b>Non-Concession contribution cap</b>	
• Standard (per annum)	\$180,000
• Bring forward over 3 years to age 65	\$540,000

## Taxation of Superannuation

### *Superannuation benefits - Lump sums*

	<i>Threshold<sup>^^</sup></i>	<i>Tax Rate*</i>
<b>Tax free component</b>		<b>0%**</b>
<b>Taxable component - taxed element<sup>^</sup></b>		
Age 60 & over		0%
Preservation age to 59	\$0 - \$185,000 <sup>^</sup>	0%
	Over \$185,000 <sup>^</sup>	15%
Under preservation age		20%

\*Plus Medicare levy (2.0%). From 1 July 2014 the Medicare levy rose from 1.5% to 2.0%.

\*\*Where benefits have been subject to tax in the fund, amounts are not assessable and are tax free.

<sup>^</sup>If benefit paid has a taxable component with both a taxed and untaxed element, the low rate applies to the taxed element first. The low rate tax amount was \$180,000 in the 2013/2014 financial year and is \$185,000 for the 2014/2015 financial year.

<sup>^^</sup>Indexed to AWOTE, will only increase in \$5,000 increments.

*Superannuation benefits - Income Streams (Allocated Pensions)*

	<b>Maximum Tax Rate*</b>
<b>Tax free component</b>	<b>0%**</b>
<b>Taxable component - taxed element^</b>	
Age 60 & over	0%
Preservation age to 59	Marginal rate with 15% tax offset
Under preservation age	Marginal rate
*Plus Medicare levy (2.0%)	
**Where benefits have been subject to tax in the fund, amounts are not assessable and are tax free.	

*Death benefit superannuation payments*

	<b>Maximum Tax Rate*</b>
<b>Lump sum - paid to dependent</b>	<b>0%**</b>
<b>Lump sum - paid to non-dependent</b>	
Tax free component	0%**
Taxable component	
- Taxed element	15%
- Untaxed element	30%
<b>Pension deceased/primary beneficiary over 60</b>	<b>0%**</b>
<b>Pension - Primary beneficiary under 60</b>	
Tax free component	0%**
Taxable component - Included in assessable income	Marginal tax rate Pension rebate of 15% for individuals between preservation age & 60
*Plus Medicare levy (2.0%)	
** Not assessable	

## Pension - Minimum Payments

The minimum payment standard for pensions requires the payment of a minimum amount to be made at least annually with no maximum amount applying (see exception below). This would allow pensioners to take as much as they wish above the minimum (including cashing out the whole amount).

The minimum annual income payments are determined on the following basis for the upcoming 2014/15 financial year:

<i>Age</i>	<i>% of account balance (average)</i>
55 - 64	4.00%
65 - 74	5.00%
75 - 79	6.00%
80 - 84	7.00%
85 - 89	9.00%
90 - 94	11.00%
95 +	14.00%

No maximum payment applies with the exception of pensions which commenced under the “transition to retirement” rules (maximum percentage of 10% applies for such pensions). These are non-commutable pensions that can be commenced by individuals aged between 55 - 64 even though they may still be working.

## Tax on superannuation income stream earnings above \$100,000 limit

Currently, all earnings on assets supporting super income streams are tax-free.

The Government has proposed (but not yet legislated) from 1 July 2014 that future earnings on underlying assets of superannuation pensions and annuities will continue to be tax-free, but only up to \$100,000 a year for each individual. Earnings derived from pension assets above \$100,000 will be taxed at 15%, the same rate that applies to earnings in the accumulation phase.

The \$100,000 limit will be indexed to the Consumer Price Index (CPI) and will increase in \$10,000 increments.

Realised capital gains on assets supporting the income stream are also classified as investment earnings. Special arrangements apply on assets purchased prior to 1 July 2014. For assets purchased from 1 July 2014, the entire capital gain is expected to be included in the \$100,000 limit.

It is important to note that this reform will not affect the tax treatment of withdrawals (both lump sums and pensions) made from a super fund. Withdrawals will continue to remain tax free from those aged 60 and over, and be subject to the existing tax rates for those aged under 60.

# Changes to super legislation that may impact you

## Maximum Contributions Base

The Maximum Contributions Base is used to calculate the maximum SG contributions payable for an employee for each quarter of the financial year. SG contributions will not need to be paid for Ordinary Times Earnings above this limit, of \$48,040 per quarter for the 2013/14 financial year, unless otherwise specified in an employee's contract of employment.

For the 2014/2015 financial year the limit has been increased to \$49,430 per quarter.

## Lost Super Changes

The account balance threshold below which inactive accounts and accounts of non-contactable members are required to be transferred to the ATO was recently increased to \$2,000.

The Government will further increase the account balance threshold to \$2,500 from 31 December 2015 and to \$3,000 from 31 December 2016.

The ATO will pay interest on lost superannuation reclaimed by members from the ATO at a rate equivalent to CPI inflation.

## Government Low Income Support Contribution (LISC)

For concessional contributions, including Superannuation Guarantee Contributions, made on or after 1 July 2012, a Government low income superannuation contribution payment of up to \$500 per annum will be available for eligible members with incomes up to \$37,000.

In order to qualify, the eligible member must earn at least 10% of their total income from employment or carrying on a business or a combination of both.

Temporary residents will not qualify for this concession and no Government LISC will be made where the member's entitlement is under \$20.

The LISC entitlement will be automatically calculated by the ATO.

Payment of the LISC will cease in respect of concessional contributions made on or after 1 July 2017. This will mean that the LISC will continue to be payable in respect of concessional contributions made up to and including the 2016/17 financial year.

## Superannuation Guarantee (SG)

The SG contribution percentage has increased to 9.50% from 1 July 2014. Parliament recently passed legislation to pause annual increases to the SG contribution percentage up to and including the 2020-21 financial year. The SG rate will remain at the 9.50% until 30 June 2021 and then will gradually increase to 12% between 1 July 2021 and 1 July 2025.

Since 1 July 2013 there has been no maximum SG age limit.

## Reduction of tax concession on contributions for incomes above \$300,000

The Federal Government has announced that from 1 July 2012, individuals with incomes greater than \$300,000 will have the tax concession on their superannuation contributions reduced from 30% to 15% (excluding the Medicare levy).

The definition of 'income' for this measure will include taxable income, concessional superannuation contributions, adjusted fringe benefits, total net investment loss, target foreign income, tax-free Government pension and benefits less any child support payments.

If an individual's income, excluding their concessional contributions, is less than the \$300,000 threshold but the inclusion of their concessional contributions pushes them over the threshold, then only that part of the contributions in excess of the threshold will be subject to the higher contributions tax.

**This proposal is not yet law. The Government will consult with the superannuation industry further on the design and implementation details.**

## Reserves

From 1 July 2013, the Trustee has been required to hold, and have unfettered access to, financial resources in the form of Operational Risk Financial Requirement (ORFR) Reserve that can be used in the event of certain operational risk events.

The ORFR Reserve operates under a policy approved by the Trustee, which sets the investment strategy for the ORFR Reserve. The ORFR Reserve is currently held in a separate interest bearing cash account.

The amounts held in the ORFR Reserve as at 30 June 2014 were \$106,501.

## Accounting Standards

The financial reports are prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the Superannuation Industry (Supervision) Act 1993 and the Trust Deed.

## Audit

The Trustee has engaged UHY Haines Norton as the auditor to the Fund. The auditor has provided an audit certificate for the year ending 30 June 2014. Full audited accounts and an audit report are now available on request from the Fund Administrator.



## Financial Information - Accounts

A statement of the abridged financial information is shown below.

<i>Operating Statement for the Year Ended 30 June</i>	<b>2014</b> <b>(\$)</b>	<b>2013</b> <b>(\$)</b>
Net Assets Available to Pay Benefits at start of period	92,600,859	83,663,667
Plus:		
Changes in Net Market Value of Assets	9,319,690	12,688,088
Employer Contributions	9,429,968	11,230,954
Member Contributions	584,124	100,311
Government Co-Contributions	8,480	55,519
Low Income Government Contributions	4,580	-
Transfers In	777,712	768,546
Other Income	641,694	688,307
Total Gross Income for the Year	<u>20,766,248</u>	<u>25,531,725</u>
Less:		
Administration Charges	1,814,509	2,109,374
Trustee Fee	145,585	136,885
Group Life Premiums	2,148,737	2,232,033
Income Tax Expense	784,971	1,013,297
Benefit Payments and Transfers Out	<u>13,160,237</u>	<u>11,102,944</u>
Total Out Goings for the Year	<u>2,712,209</u>	<u>16,594,533</u>
Net Assets Available to Pay Benefits at end of period	<u>95,313,068</u>	<u>92,600,859</u>

### Statement of Financial Position

	2014 (\$)	2013 (\$)
Cash and cash equivalents	3,025,225	1,875,590
Receivables	79,391	67,948
Investment assets	94,664,677	93,153,716
Total Assets	<u>97,769,293</u>	<u>95,097,254</u>
Total Liabilities	2,456,225	2,496,395
Net Assets Available to Pay Benefits at end of period	<u>95,313,068</u>	<u>92,600,859</u>

#### Represented by:

Allocated to Members' Benefits	94,865,625	92,371,144
Operational Risk Financial Requirement Reserve	106,501	-
Not Yet Allocated	340,942	229,715
	<u>95,313,068</u>	<u>92,600,859</u>

### Fund Assets

	2014 (\$)	2013 (\$)
BT Institutional Retirement PST	524,651	661,191
Russell Australian Cash	5,686,473	3,311,656
Russell Conservative Unit	5,342,762	2,820,316
Russell Diversified 50 Unit	14,031,805	14,573,134
Russell Balanced Unit	51,730,894	59,759,306
Russell Growth Unit	12,796,660	8,705,681
Russell High Growth Unit	2,643,075	1,126,534
Russell Aust Cash Enhanced (Tax Exempt) Unit	116,214	181,292
Russell Conservative (Tax Exempt) Unit	768,445	828,384
Russell Diversified 50 (Tax Exempt) Unit	806,061	934,714
Russell Balanced (Tax Exempt) Unit	79,083	217,307
Russell Growth (Tax Exempt) Unit	-	40,860
Cash & Accruals	786,944	-559,516
	<u>95,313,068</u>	<u>92,600,859</u>







Prepared by the Administrators:

Super Managers Funds Administration Pty Ltd

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