

ENTERPRISE  
SUPER

June 30

2016

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 Superannuation Limited ABN 50 055 641 757, AFSL No. 229757, RSE Licence No. L0001458, 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 Superannuation Limited ABN 50 055 641 757, AFS Licence No 229757, RSE Licence No L0001458 (Trustee) in relation to Enterprise Super ABN 32 894 907 884, RSE No R1000146 (Fund) for the year ended 30 June 2016.

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

As a member of the Fund, you have access to insurance cover and a wide range of professionally managed investment options. Further information is contained in the product disclosure document(s) provided to you when you joined the Fund, and subsequent notices about changes or significant events affecting the Fund.

We invite you to visit our website [www.supermanagers.com.au](http://www.supermanagers.com.au) for further information regarding the Fund, or contact us by phone (see the contact details at the end of this report).

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.

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 Superannuation Limited (ETSL) ABN 50 055 641 757, AFSL No. 229757, RSE Licence No. L0001458, is the Trustee and Issuer of Enterprise Super RSE No. R1000146 (Fund).

Super Managers Funds Administration Pty Ltd (OneVue) is the Fund Administrator. The information in this Annual Report is given in good faith and believed to be accurate at the time of issue. ETSL and Super Managers receive remuneration from the Fund. To the extent permitted by law, ETSL 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 ETSL, 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 ETSL or any other company, officer, employees or agents associated to ETSL.

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.

To check if your adviser is appropriately licensed or authorised go to <https://www.moneysmart.gov.au/investing/financial-advice/financial-advisers-register>.

## Professional Service Providers

The following entities provided specialist services to the Fund during the 2015/16 financial year.

### Trustee & Issuer

Equity Trustees Superannuation Limited (ABN 50 055 641 757, AFSL No. 229757, RSE Licence No. L0001458), an independent Trustee licenced by the Australian Prudential Regulation Authority (APRA), became trustee of the Fund from 4 April 2016. During the 2015/16 financial year before this date, Equity Trustees Limited ABN 46 004 031 298, AFSL 240975, RSE L0003094 was the trustee.

The Trustee of the Fund is responsible for ensuring that the Fund is managed in accordance with the Trust Deed and relevant Government legislation.

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

The Trustee has in place Professional Indemnity Insurance. Cover is subject to terms and conditions of the insurance policy.

### Fund Administrator/Promoter/Investment Manager

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)

Super Managers Funds Administration Pty Ltd, in its capacity as 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.

Super Managers also provides promotional and related services to the Fund in its capacity as Fund Promoter.

Super Managers is also the Fund's Investment Manager.

### Underlying Fund Managers

The underlying fund managers utilised in the Fund's investment options are selected by the Trustee in consultation with the Fund's Investment Manager. For the year ended 30 June 2016 the underlying fund managers 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 applicable regulatory and accounting practice and standards.

## Changes relating to Fund Administration, Promoter and Investment Management arrangements

In December 2015, OneVue Holdings Limited (OneVue ) finalised its acquisition of Super Managers Australia Pty Ltd (SMA) which is the parent company of the Fund's Administrator and Promoter. The Fund Administrator's ABN and other contact details have not changed, however it may trade (and communicate with you) under the name OneVue Super Services.

## Change in Trustee

Effective 4 April 2016, the trusteeship of the Fund transferred from Equity Trustees Limited to Equity Trustees Superannuation Limited (ETSL) (ABN: 50 055 641 757, AFSL No. 229757). The majority of directors of ETSL are independent directors. One of the reasons for the change of trusteeship is to provide the Fund with a trustee board of directors solely focused on trusteeship of superannuation funds, which is in line with the direction that APRA is encouraging superannuation fund trustee boards to follow.

## Important Information for Temporary Residents

The Trustee is required to transfer the superannuation benefits of a former temporary resident to the Australian Taxation Office (ATO) (as unclaimed money) on the ATO's request, after six months has elapsed since the temporary resident left Australia and their visa has expired or is cancelled. If this happens, a former temporary resident can claim their super benefits directly from the ATO as a Departing Australia Superannuation Payment (DASP), subject to applicable tax rates. Former temporary resident members whose benefits have been paid to the ATO will not be provided with notices or exit statements at the time or after their benefits are transferred to the ATO. The Trustee is taking this approach relying on relief granted by the Australian Securities and Investments Commission (ASIC) from certain reporting obligations in the law, which normally apply when fund membership ceases. This relief recognises that trustees will generally not be aware which members

are former temporary residents (until advised by the ATO) and that they may have difficulty communicating to an overseas address or finding correct contact details for the member.

For further information please contact the Administrator or go to [www.ato.gov.au](http://www.ato.gov.au).

## Investments

You can choose the way your money is invested in the Fund by selecting from a range of investment options available, depending on whether you are an accumulation (Superannuation) or pension member of the Fund. 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 usually 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 may include the extent to which you are able to accept the potential loss of some of your capital in the short-term and the potential risk that your retirement goals will not be met. For more information about the risk profile of each of the investment options (based on a 'Standard Risk Measure' under industry standards) contact the Fund Administrator (see contact details at the end of this report).

## Investment Options

The investment options have been structured in line with the Fund's investment strategy, having regard to a range of factors including 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. Underlying managers may use derivatives for risk management, market exposure and hedging purposes. Where derivatives are used to implement an investment strategy, consideration is given to appropriate use, whether specific limits are required, and any additional reporting requirements.

Members are able to choose from a range of investment options available, depending on whether you are an accumulation (Superannuation) or pension member of the Fund.

You should be aware that the earnings of each of the 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>Accumulation Investments</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

<i>Pension Investments</i>	<i>% Target Growth Assets</i>	<i>% Target Defensive Assets</i>
Cash Exempt	0	100
Defensive Exempt	25	75
Moderate Exempt	45	55
Assertive Exempt	65	35
Aggressive Exempt	85	15

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.

## Switching

You may switch investment options at any time without being charged a switching fee. However, a buy-sell spread, taken into account in the calculation of unit prices, may apply (refer to the Investment Guide of the PDS applicable to you, and available on request). 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 investment switch 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 an investment option's objective is 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 2016. 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 applicable to the investment earnings on investment options available to accumulation (Superannuation) members and fees charged for the investment of the various investment options. They do not include fees in relation to the administration of the 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.

## Investment Policy

The Trustee invests the assets of the Fund with leading fund managers in accordance with an 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. 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 its own unit price which moves up or down, reflecting the net 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 day 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 day price is used for applications received during that day.

Unit price calculations take into account relevant fees, costs and (in the case of accumulation members) taxes on investment earnings (but not fees deducted directly from member accounts).

# Superannuation Investment Options

## Cash

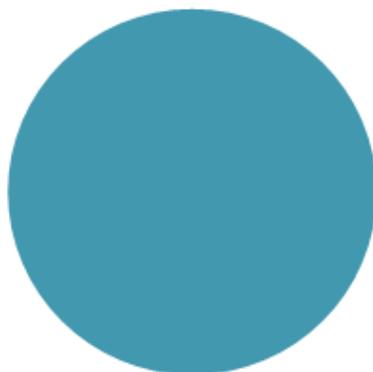
### Investment Objective

To provide a low risk investment option that earns a secure rate of interest. To achieve a rate of return gross of all fees and taxes that meets the Australian Bank Bill Index.

### 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 Allocation - 30 June 2016



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	-	0 %	0 %
International Equities	-	0 %	0 %
Fixed Interest	-	0 %	0 %
Property	-	0 %	0 %
Cash	100	100 %	100 %
Alternatives	-	0 %	0 %

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2016

30 June 2016	0.9%	1 Year	0.9%
30 June 2015	1.0%	3 Year	1.0%
30 June 2014	1.2%	5 Year	1.7%
30 June 2013	1.2%	10 Year	2.8%
30 June 2012	3.5%		

## Secure

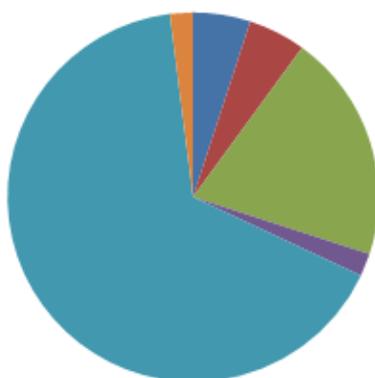
### *Investment Objective*

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 CPI by at least 0.5% p.a. over rolling 3 year periods.

### *Investment Strategy*

To achieve this objective, the Trustee invests predominantly in a mixture of Cash and Fixed Interest Assets to achieve a degree of security with potential for limited growth.

### Asset Allocation - 30 June 2016



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	0 - 15	5 %	5 %
International Equities	0 - 10	5 %	5 %
Fixed Interest	10 - 25	20 %	20 %
Property	0 - 10	2 %	1 %
Cash	65 - 75	66 %	67 %
Alternatives	0 - 5	2 %	2 %

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2016

30 June 2016	1.6%	1 Year	1.6%
30 June 2015	2.6%	3 Year	2.5%
30 June 2014	3.4%	5 Year	3.2%
30 June 2013	4.5%	10 Year	3.4%
30 June 2012	4.0%		

## Conservative

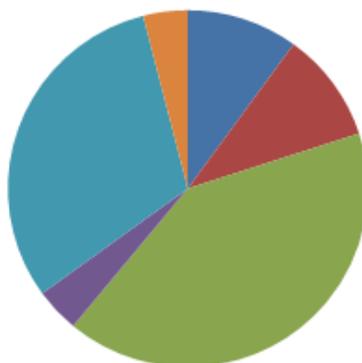
### Investment Objective

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 CPI by at least 1.0% p.a. over rolling 3 year periods

### Investment Strategy

The conservative option has a higher exposure to investments in Australian Equities, International Equities and 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 Allocation - 30 June 2016**



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	0 - 25	10 %	10 %
International Equities	0 - 20	10 %	10 %
Fixed Interest	25 - 45	41 %	41 %
Property	0 - 15	4 %	3 %
Cash	30 - 50	31 %	32 %
Alternatives	0 - 10	4 %	4 %

### Annual Effective

#### Year Ended

### Rates of Net Return

#### Annual Return

30 June 2016	2.7%
30 June 2015	4.2%
30 June 2014	5.5%
30 June 2013	7.3%
30 June 2012	4.2%

### Average Compound Effective Rates of Net Return to 30 June 2016

1 Year	2.7%
3 Year	4.1%
5 Year	4.8%
10 Year	4.0%

## Stable

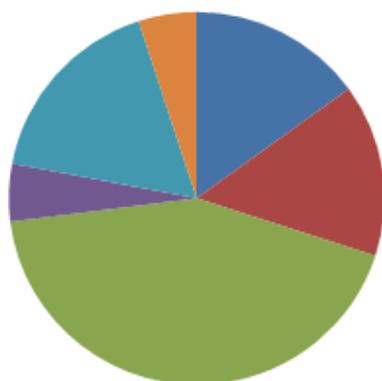
### Investment Objective

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 CPI by at least 1.5% p.a. over rolling 3 year periods.

### Investment Strategy

The Stable option has a higher exposure to investments in Australian Equities, International Equities and Fixed Interest and a lower exposure to Cash when compared to the Secure and Conservative options.

### Asset Allocation - 30 June 2016



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	5 - 30	15 %	15 %
International Equities	5 - 30	15 %	15 %
Fixed Interest	25 - 50	43 %	43 %
Property	0 - 15	5 %	4 %
Cash	10 - 35	17 %	18 %
Alternatives	0 - 10	5 %	5 %

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2016

30 June 2016

2.6%

1 Year

2.6%

30 June 2015

5.4%

3 Year

5.1%

30 June 2014

7.3%

5 Year

5.6%

30 June 2013

9.9%

10 Year

4.1%

30 June 2012

2.9%

## Managed

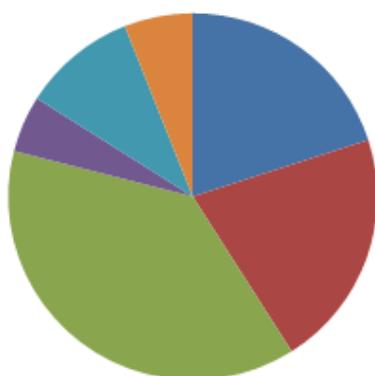
### Investment Objective

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 2 financial years. To achieve a rate of return after tax and fees that exceeds the increase in the CPI by at least 2.0% p.a. over rolling 5 year periods.

### Investment Strategy

The Trustee aims to avoid negative returns over any 2 financial years by maintaining a significant exposure to Defensive Assets such as Fixed Interest and Cash.

### Asset Allocation - 30 June 2016



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	10 - 35	20 %	20 %
International Equities	10 - 35	21 %	21 %
Fixed Interest	20 - 45	38 %	38 %
Property	0 - 15	5 %	4 %
Cash	5 - 25	10 %	12 %
Alternatives	0 - 10	6 %	5 %

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2016

30 June 2016	2.2%	1 Year	2.2%
30 June 2015	6.4%	3 Year	5.6%
30 June 2014	8.9%	5 Year	6.1%
30 June 2013	12.4%	10 Year	4.2%
30 June 2012	1.7%		

## Balanced

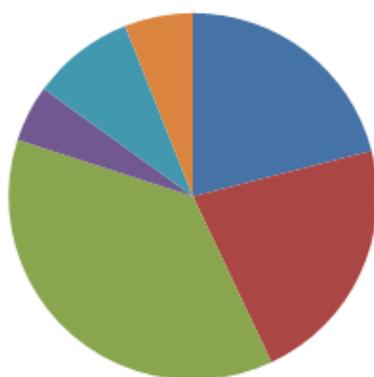
### Investment Objective

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 3 financial years. To achieve a rate of return after tax and fees that exceeds the increase in the CPI by at least 2.5% p.a. over rolling 5 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 59%. 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 Allocation - 30 June 2016



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	20 - 40	21 %	21 %
International Equities	20 - 40	22 %	21 %
Fixed Interest	20 - 40	37 %	37 %
Property	0 - 20	5 %	4 %
Cash	0 - 15	9 %	12 %
Alternatives	0 - 15	6 %	5 %

Annual Effective Year Ended	Rates of Net Return Annual Return	Average Compound Effective Rates of Net Return to 30 June 2016	
30 June 2016	1.9%	1 Year	1.9%
30 June 2015	7.5%	3 Year	6.6%
30 June 2014	10.6%	5 Year	7.0%
30 June 2013	15.5%	10 Year	4.4%
30 June 2012	0.4%		

## Growth

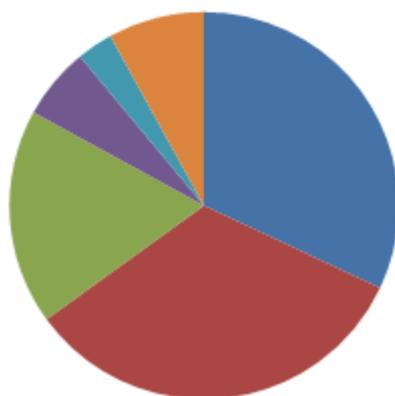
### Investment Objective

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 5 years. To achieve a rate of return after tax and fees that exceeds the increase in the CPI by at least 3.0% p.a. over rolling 5 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 Allocation - 30 June 2016



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	20 - 50	32 %	32 %
International Equities	20 - 50	33 %	26 %
Fixed Interest	5 - 30	18 %	19 %
Property	0 - 20	6 %	6 %
Cash	0 - 15	3 %	10 %
Alternatives	0 - 15	8 %	7 %

#### Annual Effective Year Ended

#### Rates of Net Return Annual Return

#### Average Compound Effective Rates of Net Return to 30 June 2016

30 June 2016	1.5%	1 Year	1.5%
30 June 2015	8.2%	3 Year	7.0%
30 June 2014	11.4%	5 Year	7.4%
30 June 2013	18.3%	10 Year	4.4%
30 June 2012	-1.2%		

## High Growth

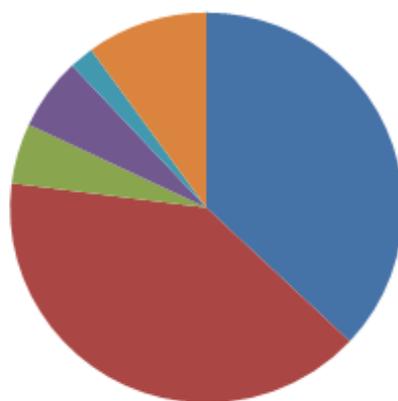
### Investment Objective

To maximise investment growth over the long term. To achieve a rate of return after tax and fees that exceeds the increase in the CPI by at least 3.5% p.a. over rolling 7 year periods

### Investment Strategy

The asset weightings are represented predominantly by Australian and International Equities to maximise 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 Allocation - 30 June 2016



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	30 - 55	37 %	37 %
International Equities	30 - 55	40 %	34 %
Fixed Interest	0 - 15	5 %	7 %
Property	0 - 20	6 %	5 %
Cash	0 - 10	2 %	8 %
Alternatives	0 - 15	10 %	9 %

#### Annual Effective

##### Year Ended

30 June 2016

30 June 2015

30 June 2014

30 June 2013

30 June 2012

#### Rates of Net Return

##### Annual Return

1.0%

9.3%

12.3%

21.1%

-3.1%

#### Average Compound Effective Rates

##### of Net Return to 30 June 2016

1 Year

3 Year

5 Year

10 Year

1.0%

7.4%

7.8%

4.4%

## Pension Investment Options

### Cash Exempt

### **Investment Objective**

To provide a low risk investment option that earns a secure rate of interest. To achieve a rate of return after fees that meets the Australian Bank Bill Index.

### **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. As at 30 June 2015, this option was invested 100% in the Cash Asset Class. As at 30 June 2016, the holding was nil as there were no fund assets invested in this option by any member.

<b>Annual Effective Year Ended</b>	<b>Rates of Net Return Annual Return</b>	<b>Average Compound Effective Rates of Net Return to 30 June 2016</b>	
30 June 2016	N/A	1 Year	N/A*
30 June 2015	2.0%	3 Year	N/A
30 June 2014	3.1%	5 Year	N/A
30 June 2013	4.5%	Since Inception	N/A
30 June 2012	4.9%	(inception date: 1 July 2007)	

*\*Average Compound Effective rates are not shown as the option did not have a full year return for the year ending 30 June 2016*

## Defensive Exempt

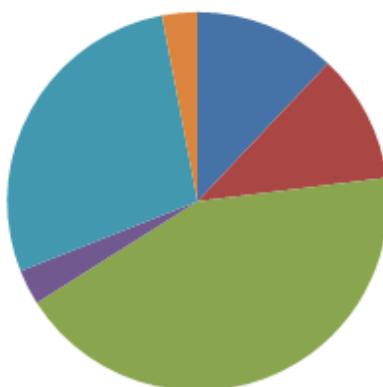
### Investment Objective

To provide a rate of return that, over the long term, has a low degree of volatility but some opportunity for growth. To earn a rate of return after fees that exceeds the increase in the Consumer Price Index (CPI) by at least 1.0% p.a. over rolling 3 year periods.

### Investment Strategy

To achieve this objective, the Trustee invests in a mixture of Cash and Fixed Interest Assets with exposure to Australian and International Equities to achieve a degree of security with potential for long term growth.

### Asset Allocation - 30 June 2016



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	0 - 25	12 %	10 %
International Equities	0 - 20	11 %	10 %
Fixed Interest	25 - 45	43 %	37 %
Property	0 - 15	3 %	2 %
Cash	30 - 50	28 %	39 %
Alternatives	0 - 10	3 %	2 %

Annual Effective Year Ended	Rates of Net Return Annual Return	Average Compound Effective Rates of Net Return to 30 June 2016	
30 June 2016	2.0%	1 Year	2.0%
30 June 2015	4.8%	3 Year	4.3%
30 June 2014	6.3%	5 Year	5.3%
30 June 2013	7.5%	Since Inception	4.4%
30 June 2012	6.0%	(inception date: 1 July 2007)	

## Moderate Exempt

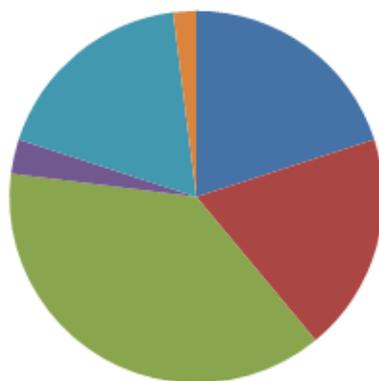
### Investment Objective

To provide a rate of return that, over the long term, is higher than the Defensive Exempt option and is rarely negative over any 2 consecutive financial years. To achieve a rate of return after fees that exceeds the increase in the Consumer Price Index (CPI) by at least 2.0% p.a. over rolling 3 year periods.

### Investment Strategy

To achieve this objective, the Trustee maintains a higher exposure to Defensive Assets such as Fixed Interest and Cash investments.

### Asset Allocation - 30 June 2016



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	10 - 30	20 %	19 %
International Equities	10 - 30	19 %	20 %
Fixed Interest	25 - 50	38 %	41 %
Property	0 - 15	3 %	2 %
Cash	5 - 30	18 %	16 %
Alternatives	0 - 10	2 %	2 %

### Annual Effective Year Ended

### Rates of Net Return Annual Return

### Average Compound Effective Rates of Net Return to 30 June 2016

30 June 2016	1.5%
30 June 2015	6.8%
30 June 2014	8.6%
30 June 2013	10.6%
30 June 2012	5.5%

1 Year	1.5%
3 Year	5.6%
5 Year	6.6%
Since Inception	4.3%
(inception date: 1 July 2007)	

## Assertive Exempt

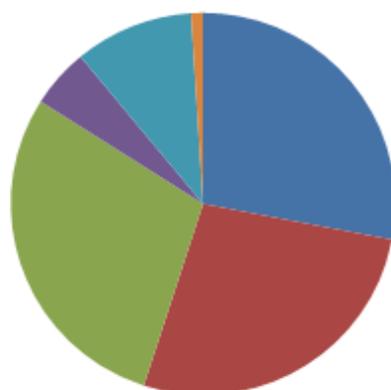
### Investment Objective

To provide a rate of return higher than the Moderate Exempt option over the long term and is rarely negative over any period of 3 consecutive financial years. To earn a rate of return after fees that exceeds the increase in the Consumer Price Index (CPI) by at least 3.0% p.a. over rolling 5 year periods.

### Investment Strategy

The asset allocation of this option 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 Allocation - 30 June 2016



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	20 - 40	28 %	27 %
International Equities	15 - 40	27 %	29 %
Fixed Interest	20 - 40	29 %	30 %
Property	0 - 20	5 %	3 %
Cash	0 - 15	10 %	9 %
Alternatives	0 - 15	1 %	2 %

Annual Effective Year Ended	Rates of Net Return Annual Return	Average Compound Effective Rates of Net Return to 30 June 2016	
30 June 2016	0.3%	1 Year	0.3%
30 June 2015	8.2%	3 Year	6.3%
30 June 2014	10.7%	5 Year	7.5%
30 June 2013	14.9%	Since Inception	3.9%
30 June 2012	4.0%	(inception date: 1 July 2007)	

## Aggressive Exempt

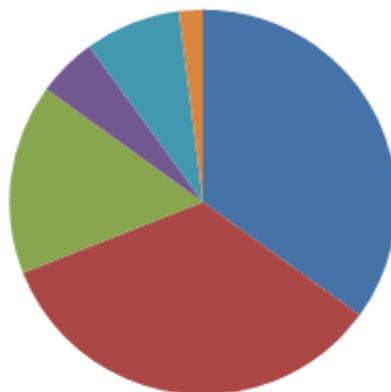
### Investment Objective

To achieve a long term rate of return that is higher than the Assertive Exempt option and is rarely negative over periods in excess of 5 consecutive financial years. To achieve a rate of return after fees that exceeds the increase in the Consumer Price Index (CPI) by at least 3.5% p.a. over rolling 5 year periods.

### Investment Strategy

The exposure to growth assets is higher than the Assertive Exempt option to achieve higher returns over the long term.

### Asset Allocation - 30 June 2016



Asset Class	Range %	30 June 2016	30 June 2015
Australian Equities	25 - 50	35 %	35 %
International Equities	25 - 50	34 %	36 %
Fixed Interest	5 - 25	16 %	16 %
Property	0 - 20	5 %	3 %
Cash	0 - 15	8 %	7 %
Alternatives	0 - 15	2 %	3 %

Annual Effective Year Ended	Rates of Net Return Annual Return	Average Compound Effective Rates of Net Return to 30 June 2016	
30 June 2016	N/A	1 Year	N/A*
30 June 2015	9.9%	3 Year	N/A
30 June 2014	12.8%	5 Year	N/A
30 June 2013	18.0%	Since Inception	N/A
30 June 2012	2.2%	(inception date: 1 July 2007)	

*\*Average Compound Effective rates are not shown as the option did not have a full year return for the year ending 30 June 2016*

## Reserves

From 1 July 2013, the Trustee has been required to hold, and have unfettered access to, financial resources to meet an Operational Risk Financial Requirement (ORFR) under Prudential Standards issued by APRA. The Trustee meets this requirement in the form of an Operational Risk Financial Requirement Reserve (ORFR Reserve) that can be used in the event of certain operational risk events.

The ORFR Reserve is managed under a policy approved by the Trustee, which includes the investment strategy for the ORFR Reserve. The policy includes achieving target amount of 0.25% of net assets of the Fund, subject to a minimum balance of \$300,000. This target amount was funded at the rate of 0.10% per annum (or pro rata) as a deduction direct from members' accounts at the end of each month. The ORFR Reserve is invested solely in cash and held in a separate interest bearing cash account.

The amounts held in the ORFR Reserve as at 30 June 2016 were \$296,217. By comparison, the amounts held in the ORFR Reserve as at 30 June 2015 and 30 June 2014 were \$201,983 and \$106,501 respectively.

## Financial Information - Accounts

A statement of the Fund's abridged financial information is shown below. The auditor has provided an audit certificate for the year ending 30 June 2016. Full audited accounts and an audit report are now available on request from the Fund Administrator.

<i>Operating Statement for the Year Ended 30 June</i>	<b>2016</b> <b>(\$)</b>	<b>2015</b> <b>(\$)</b>
Net Assets Available to Pay Benefits at start of period	91,160,032	95,313,068
Plus:		
Changes in Net Market Value of Assets	1,683,171	6,950,936
Employer Contributions	6,197,248	8,032,349
Member Contributions	193,919	75,475
Government Co-Contributions	11,385	6,149
Low Income Government Contributions	110,471	129,461
Transfers In	415,720	719,454
Other Income	1,760,481	1,019,880
Total Gross Income for the Year	<u>10,372,395</u>	<u>16,933,704</u>
Less:		
Administration Charges	1,423,327	1,591,162
Trustee Fee	130,954	143,773
Group Life Premiums	1,383,703	1,572,936
Income Tax Expense	505,438	708,719
Benefit Payments and Transfers Out	11,119,442	17,070,150
Total Out Goings for the Year	<u>14,562,864</u>	<u>21,086,740</u>
Net Assets Available to Pay Benefits at end of period	<u>86,969,563</u>	<u>91,160,032</u>

**Statement of Financial Position**

	<b>2016</b>	<b>2015</b>
	<b>(\$)</b>	<b>(\$)</b>
Cash and cash equivalents	1,221,367	1,455,705
Receivables	63,035	92,451
Investment assets	86,089,804	90,238,294
<b>Total Assets</b>	<b>87,374,206</b>	<b>91,786,450</b>
Total Liabilities	404,643	626,418
<b>Net Assets Available to Pay Benefits at end of period</b>	<b>86,969,563</b>	<b>91,160,032</b>
Represented by:		
Allocated to Members' Benefits	86,335,148	90,615,084
Operational Risk Financial Requirement Reserve	296,217	201,983
Not Yet Allocated	338,198	342,965
	<b>86,969,563</b>	<b>91,160,032</b>

**Fund Assets**

	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>(\$)</b>	<b>(\$)</b>
Investments greater than 5% of the Fund's investment assets as at 30 June 2016			
Russell Balanced Unit	51.42	44,721,995	47,957,065
Russell Diversified 50 Unit	14.73	12,811,176	13,601,283
Russell Growth Unit	14.67	12,760,588	13,051,163
Russell Conservative Unit	5.98	5,204,438	5,034,796
Russell Australian Cash	5.88	5,115,190	4,948,297
Investments less than 5% of the Fund's investment assets as at 30 June 2016			
Russell High Growth Unit	3.69	3,206,554	3,052,498
Russell Diversified 50 (Tax Exempt) Unit	0.82	720,045	912,695
Russell Conservative (Tax Exempt) Unit	0.77	665,860	787,170
BT Institutional Retirement PST	0.71	618,638	601,342
Russell Aust. Cash Enhanced (Tax Exempt) Unit	0.10	88,078	111,660
Russell Balanced (Tax Exempt) Unit	0.08	73,369	77,868
Cash & Accruals		983,632	1,024,195
		<b>86,969,563</b>	<b>91,160,032</b>



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## ENTERPRISE SUPER

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