

# Smartsave

## 'Member's Choice' Superannuation Master Plan



### ANNUAL REPORT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2015

The Trustee and issuer of an interest in Smartsave 'Member's Choice' Superannuation Master Plan (ABN 43 905 581 638, Fund Registration No. R1001341) is:

The Trust Company (Superannuation) Limited  
ABN 49 006 421 638  
AFS Licence No. 235153  
RSE Licence No. L0000635  
MySuper No: 43905581638357  
Level 20  
357 Collins Street  
Melbourne VIC 3000

Telephone (03) 9616 8600  
Facsimile (03) 9614 4543

The Promoter of Smartsave 'Member's Choice' Superannuation Master Plan is:

Group Insurance & Superannuation Concepts Pty Ltd  
ABN 51 070 756 740  
AFS Licence No. 245521  
PO Box 137  
Dromana VIC 3936

Telephone (03) 5987 1423  
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Issue date: 9 October, 2015.

**This Annual Report should be read in conjunction with your Annual Statement of Benefits. These documents should be read together because they constitute your periodic information for the financial year ending 30 June 2015.**

Your Annual Statement of Benefits has either been emailed to you or been posted to you at your last known address. This Annual Report and your Annual Statement of Benefits are also available to you online at our website at [www.smartsavesuper.com.au](http://www.smartsavesuper.com.au). You can access this information by entering the website and clicking on 'Member Login' and entering your User ID and PIN (these are available from Client Services if you are a first time user or have mislaid this information). If you require a hard copy of this Annual Report, please contact Client Services on 1300 654 720.

This will be provided to you free of charge.



*...partners in securing your prosperity*

**Any reference in this Annual Report and your Annual Statement of Benefits to:**

**Adviser** means your financial adviser. For the purposes of this Annual Report we have assumed that you or your employer have appointed a financial adviser and that you have consented to that financial adviser being provided with access to your information. If you have not appointed a financial adviser please disregard any irrelevant references in this Annual Report and be assured that no information will be provided to a financial adviser without your consent. You should be aware that financial advisers are independent to the Trustee and the Trustee is not responsible for any information or services provided to you by your financial adviser.

**Client Services, Tranzact or Administrator** means Tranzact Superannuation Services Pty Ltd (ABN 33 056 524 522, AFS Licence No. 238385).

**Fund Manager** means the fund managers appointed by the Trustee for Smartsave from time to time.

**Insurer** means MLC Limited (ABN 90 000 000 402, AFS Licence No. 230694).

**Investment Manager** means Tranzact Consulting Pty Limited (ABN 78 058 305 525, AFS Licence No. 244560)

**PDS** means the current product disclosure statement for Smartsave including any incorporated by reference documents which are issued in respect to that PDS.

**Plan or Smartsave** means the Smartsave 'Member's Choice' Superannuation Master Plan.

**Promoter or GIS Concepts** means Group Insurance and Superannuation Concepts Pty Ltd (ABN 51 070 756 740, AFS Licence No. 245521).

**Scheme** means a segment of Smartsave specific to an employer or group of employers. Additional Scheme level information is provided in your Annual Statement of Benefits (where applicable).

**SIS Act** means the Superannuation Industry (Supervision) Act 1993 as amended from time to time.

**SIS Legislation** means the SIS Act and the SIS Regulations.

**SIS Regulations** means the Superannuation Industry (Supervision) Regulations as amended from time to time.

**Smartsave Divisions** means the Smartsave Employer Super, Smartsave Personal Choice and Smart Pensions divisions of Smartsave.

**Trustee** means The Trust Company (Superannuation) Limited (ABN 49 006 421 638, AFS Licence No. 235153, RSE Licence No. L0000635, MySuper No: 43905581638357).

**PLAN CONTACT DETAILS**

Administration Manager  
Tranzact Superannuation Services Pty Ltd  
PO Box R173  
Royal Exchange  
NSW 1225

Telephone (02) 9236 5600

Toll free 1300 654 720

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For full details on how Smartsave works, including investing, fees, insurance and accessing your benefits, please refer to the PDS and any incorporated by reference documents.

These are available from your Adviser or can be downloaded from Smartsave's website at [www.smartsavesuper.com.au](http://www.smartsavesuper.com.au).

## INTRODUCTION

The Trustee is pleased to present its Annual Report to Smartsave members for the year ending 30 June 2015.

This Annual Report brings you up-to-date with Smartsave's operations during the 2014/15 financial year and provides information on the management, financial condition and investment performance of Smartsave. You should have received your Annual Statement of Benefits which provides details of your benefit entitlements as at 30 June 2015. This Annual Report and your Annual Statement of Benefits should be read in conjunction with each other because they form your periodic information for the year ending 30 June 2015.

Member specific information is provided in the Annual Statement of Benefits, along with details of your benefit entitlements as at 30 June 2015.

We hope you find this Annual Report informative. If you have any questions about this Annual Report, your benefits or about Smartsave, please contact Client Services (contact details below).

Client Services' contact details are as follows:

Administration Manager  
Tranzact Superannuation Services Pty Ltd  
PO Box R173  
Royal Exchange  
NSW 1225  
  
Telephone (02) 9236 5600  
Toll free 1300 654 720  
Facsimile (02) 9236 5699  
E-mail [smartsave@tranzact.com.au](mailto:smartsave@tranzact.com.au)

You should be aware that none of the Trustee, Promoter, Investment Manager, Administrator, Insurer nor any of the stated Fund Managers nor any of their respective subsidiaries or their respective officers guarantees the capital invested by investors, the performance of the specific investments available or your account generally.

### **The Trustee**

The Trust Company (Superannuation) Limited (ABN 49 006 421 638, AFS Licence No. 235153, RSE Licence No. L0000635, MySuper No: 43905581638357) is the Trustee of Smartsave. The Trustee has been granted a Registrable Superannuation Entity (RSE) licence by the Australian Prudential Regulation Authority (APRA) which enables it to act as a trustee of a regulated superannuation fund. Smartsave is a regulated superannuation fund and the Trustee is responsible for ensuring that it is operated in accordance with Smartsave's trust deed and the relevant legislative requirements. The Trustee is also the issuer of this Annual Report.

### ***Compliance statement***

The Trustee intends to operate Smartsave at all times as a regulated superannuation fund as that term is defined in the SIS Act. Compliance with the SIS Legislation entitles Smartsave to receive special tax treatment. The Trustee is unaware of any events that could jeopardise Smartsave's compliance status and has not had any penalties imposed on it under section 38A of the SIS Act.

### ***Trustee Indemnity Insurance***

The Trustee of Smartsave 'Member's Choice' Superannuation Master Plan has in place indemnity insurance to protect it and the Fund against certain liabilities. This does not extend to all liabilities and is subject to the terms and conditions of the relevant insurance policy.

### ***Deed Amendments***

There were no deed amendments during the year.

**Further Information**

You are entitled to inspect certain documents associated with Smartsave's operation. These documents include Smartsave's annual returns, audited accounts, auditor's report and the trust deed. All requests for this information or other queries about your superannuation entitlements should be referred to:

Administration Manager  
Tranzact Superannuation Services Pty Ltd  
PO Box R173  
Royal Exchange  
NSW 1225

Telephone (02) 9236 5600

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E-mail [smartsave@tranzact.com.au](mailto:smartsave@tranzact.com.au)

**Disclaimer**

The intent of this Annual Report is to provide useful information, not investment or financial advice, and the information should not be construed as investment or financial advice. Each member is ultimately responsible for making his or her own investment decisions and obtaining whatever assistance he or she deems necessary. Neither the Trustee, Promoter, Investment Manager, Administrator, Insurer or any of the underlying Fund Managers nor any service providers guarantee the investment returns in Smartsave.

The information in this Annual Report is of a general nature only and is not intended to be a complete or definitive statement of all matters outlined in it. The Trustee does not recommend that any member make decisions concerning superannuation arrangements based solely on this Annual Report. Formal legal documents, called the governing rules and relevant legislation ultimately govern the operation of Smartsave. The central document is Smartsave's trust deed. Should there be any discrepancies between the information in this Annual Report and the governing rules, the governing rules will prevail. Whilst all due care has been taken in the preparation of this Annual Report, the Trustee reserves the right to correct any errors or omissions.

## INVESTMENTS

This Annual Report provides commentary on the investments that were in place on 30 June 2015.

The investment profile, including the investment objective and strategy of each investment option is set out in this Annual Report. The value of your investment is determined by reference to unit prices applicable to the investment option(s) that your account is invested in and the change in the unit price for each investment option represents the investment return for that investment option.

Smartsave's investment strategy is aimed at offering a broad range of investment options to allow you to structure an investment portfolio that meets your long-term investment needs and risk tolerance for your superannuation in the context of your other investments. The investment options available to members participating in the Smartsave Divisions during the financial year ending 30 June 2015 were as follows:

### Open Investments

|   |
|---|
| <b>Risk Band 1 – Very Low Risk</b>            |
| Smartsave Cash                                |
| <b>Risk Band 2 – Low Risk</b>                 |
| Smartsave Diversified Fixed Interest          |
| <b>Risk Band 3 – Low to Medium Risk</b>       |
| Smartsave Managed Stable                      |
| <b>Risk Band 4 – Medium Risk</b>              |
| Smartsave Balanced                            |
| <b>Risk Band 5 – Medium to High Risk</b>      |
| Smartsave Growth                              |
| <b>Risk Band 6 – High Risk</b>                |
| Smartsave High Growth                         |
| Smartsave Australian - Imputation             |
| <b>Risk Band 7 – Very High Risk</b>           |
| Smartsave Diversified Property                |
| Smartsave Australian Shares                   |
| Smartsave Global Shares                       |
| Smartsave Resources                           |
| Smartsave Australian Shares – Small Companies |
| Smartsave Australian Shares - Geared          |

In addition to above there is a default investment option which is only available for members in Smartsave Employer Super who do not make an investment choice:

|                                  |
|----------------------------------|
| <b>Risk Band 4 – Medium Risk</b> |
| Smartsave MySuper Balanced       |

The Risk Bands outlined above are based on the Standard Risk Measure. The Standard Risk Measure is based on industry guidance to allow you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

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

You should ensure that you are comfortable with the risks and potential losses associated with your chosen investment options. The table explains categories of risk by reference to the estimated number of years that negative returns would arise over any 20 year period, referred to as the Standard Risk Measure:

| <b>Risk Band</b> | <b>Risk Label</b> | <b>Estimated number of Negative Annual Returns over any 20 Year Period</b> |
|------------------|-------------------|--|
| 1                | Very Low          | Less than 0.5  |
| 2                | Low               | 0.5 to less than 1   |
| 3                | Low to Medium     | 1 to less than 2   |
| 4                | Medium            | 2 to less than 3   |
| 5                | Medium to High    | 3 to less than 4   |
| 6                | High              | 4 to less than 6   |
| 7                | Very High         | 6 or greater   |

#### **Closed Investments**

LM Mortgage Income Fund (closed 26/08/2008)

MacarthurCook Mortgage Fund (closed 27/10/2008)

Smartsave High Yield B (closed 16/07/2007)

## INFORMATION ON THE INVESTMENT OPTIONS

The Trustee has appointed an Investment Manager (Tranzact Consulting Pty Limited) to professionally construct Smartsave investment options, select fund managers to meet Smartsave investment objectives and an Asset Consultant (Atchison Consulting) to benchmark and monitor performance outcomes.

This information below does not take into account your personal investment objectives, financial situation or particular needs. We recommend you seek professional financial advice from an appropriately licensed or authorised Adviser before making any investment decision. To assist you in reading the investment profiles, we have provided below an example of one investment option, with an explanation of the information provided. Information is shown as at 30 June 2015 (unless otherwise specified).

### How to read the investment options

|   |  |                       |  |   |
|---|--|-----------------------|--|---|
| <b>Name of Investment Option</b>  | <b>Smartsave Cash*</b>   |                       | ← This is the name of the investment option that will appear on reports and statements.  |   |
| <b>Investment Objective</b>   | <p>To outperform the average 3-month Bank Term Deposit rate offered by the five major trading banks, as published by the RBA over rolling three year periods, without exposing the portfolio to credit default risk worse than the average credit rating of the five major trading banks.</p> <p>Achievement of this objective would therefore limit the probability of a negative return in any one year to less than half a year in any 20.</p>  |                       | ← Describes the goals of the investment option. Objectives are guidelines only and may not be met. They are not a promise or guarantee of any particular return or benefit.  |   |
| <b>Investment Strategy</b>  | <p>To invest in a range of wholesale cash and short-term money market securities issued by the major banks and corporates with investment grade ratings as defined by the major credit rating agencies. The option may also invest in managed cash funds and mortgage funds with similar mandates and credit criteria. While the investment option can invest in securities with moderately higher credit risks than the major trading banks for this class of investment option, it is not anticipated that the overall risk profile will be significantly higher, given the limits on those securities and the diversified nature of the investments to be held.</p> |                       | ← This outlines how the investment option is managed and where it invests to achieve its investment objective.   |   |
| <b>Suggested Minimum Timeframe</b>  | 3 to 6 months  |                       | ← This describes the suggested minimum investment period. It is a guideline only. We recommend you regularly review the appropriateness of the timeframes to your needs with your Adviser.   |   |
| <b>Risk/Return Profile</b>  | Very Low (Risk Band 1)   |                       | ← This is a general assessment of the investment option's relative risk level and expected return based on historical performance of asset sectors in which the investment option invests. More information about risks is contained in the PDS.   |   |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b>   | ← This provides information of the actual asset allocation of the investment option as at 30 June 2014 and 30 June 2015. Asset allocations can change from time to time, in accordance with applicable benchmarks, due to market movements and investment positions taken by the underlying Fund Manager(s). More information about asset allocations is contained in the PDS. |   |
| Australian shares   | 0  | 0                     |  |   |
| Global shares   | 0  | 0                     |  |   |
| Property  | 0  | 0                     |  |   |
| <i>Total growth assets</i>  | <b>0</b>   | <b>0</b>              |  |   |
| Fixed Interest  | 0  | 0                     |  |   |
| Cash*   | 100  | 100                   | ← This shows the compound average annualised performance returns of the investment option for 5 years (or since inception) to 30 June 2015.  |   |
| <i>Total defensive assets</i>   | <b>100</b>   | <b>100</b>            |  |   |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>   | <b>Smart Pensions</b> |  | ← <b>Past performance is not a reliable indicator of future performance.</b>  |
| Or since inception date (DD/MM/YYYY)                                      | 1.1%<br>(01/07/2013)   | 1.2%<br>(01/07/2013)  |  |   |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>   | <b>Smart Pensions</b> |  | ← This shows the annual rate of return for the investment option to each 30 June. More recent performance information is available from Smartsave's website, <a href="http://www.smartsavesuper.com.au">www.smartsavesuper.com.au</a> . |
| 2011  | N/A  | N/A                   |  |   |
| 2012  | N/A  | N/A                   |  |   |
| 2013  | N/A  | N/A                   |  |   |
| 2014  | 0.8%   | 0.9%                  |  |   |
| 2015  | 1.5%   | 1.6%                  | ← <b>Past performance is not a reliable indicator of future performance.</b>   |   |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent).

|   |   |                       |
|---|---|-----------------------|
| <b>Name of Investment Option</b>  | <b>Smartsave Diversified Fixed Interest*</b>  |                       |
| <b>Investment Objective</b>   | To outperform both the UBSWA Government Bond benchmark index and the relevant Morningstar survey median of Australian Fixed Interest managers over rolling three year periods, without increasing the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 1 year in any 20.  |                       |
| <b>Investment Strategy</b>  | To invest primarily in a range of directly-held government and non-government fixed interest securities issued in Australia. These will be augmented with exposure to global fixed interest securities, but only where the currency risk is removed by fully hedging back into Australian Dollars.<br><br>The investment option adopts an index-enhanced approach, with a core index holding augmented by a range of direct securities, inflation-linked bonds and managed funds. This strategy not only provides a cost effective index tracking component, but also provides the mechanism to vary the duration relative to the benchmark in order to achieve a total return above the benchmark. |                       |
| <b>Suggested Minimum Timeframe</b>  | 3 years   |                       |
| <b>Risk/Return Profile</b>  | Low (Risk Band 2)   |                       |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>   | <b>30/06/14 (%)</b>   |
| Australian shares   | 0   | 0                     |
| Global shares   | 0   | 0                     |
| Property  | 0   | 0                     |
| <i>Total growth assets</i>  | <b>0</b>  | <b>0</b>              |
| Fixed Interest  | 98.0  | 97.8                  |
| Cash**  | 2.0   | 2.2                   |
| <i>Total defensive assets</i>   | <b>100.0</b>  | <b>100.0</b>          |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>  | <b>Smart Pensions</b> |
|   | N/A   | N/A                   |
| Or since inception date (DD/MM/YYYY)                                      | 2.5%<br>(01/07/2013)  | 2.8%<br>(01/07/2013)  |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>  | <b>Smart Pensions</b> |
| 2011  | N/A   | N/A                   |
| 2012  | N/A   | N/A                   |
| 2013  | N/A   | N/A                   |
| 2014  | 2.6%  | 2.8%                  |
| 2015  | 2.5%  | 2.9%                  |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

|   |   |                       |
|---|---|-----------------------|
| <b>Name of Investment Option</b>  | <b>Smartsave Managed Stable*</b>  |                       |
| <b>Investment Objective</b>   | To outperform both the benchmark asset allocation weighted index portfolio and the relevant Morningstar survey median of Conservative managers over rolling three year periods, without increasing the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 2 years in any 20.  |                       |
| <b>Investment Strategy</b>  | To invest mainly in a diversified range of fixed interest securities and funds, combined with a modest exposure to growth assets such as Australian and international shares.<br><br>Asset allocations will be actively managed within ranges around the long-term strategic asset allocations below, in accordance with the Investment Manager's assessment of global economic and market value conditions relative to the level of assumed risks. |                       |
| <b>Suggested Minimum Timeframe</b>  | 3 years   |                       |
| <b>Risk/Return Profile</b>  | Low to Medium (Risk Band 3)   |                       |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>   | <b>30/06/14 (%)</b>   |
| Australian shares   | 13.1  | 10.0                  |
| Global shares   | 10.9  | 10.1                  |
| Property  | 6.0   | 10.1                  |
| <i>Total growth assets</i>  | <b>30.0</b>   | <b>30.2</b>           |
| Fixed Interest  | 43.2  | 50.9                  |
| Cash**  | 26.8  | 18.9                  |
| <i>Total defensive assets</i>   | <b>70.0</b>   | <b>69.8</b>           |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>  | <b>Smart Pensions</b> |
|   | 4.2%  | 5.0%                  |
| Or since inception date (DD/MM/YYYY)                                      | N/A   | N/A                   |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>  | <b>Smart Pensions</b> |
| 2011  | 2.9%  | 3.0%                  |
| 2012  | 2.6%  | 3.6%                  |
| 2013  | 5.3%  | 6.5%                  |
| 2014  | 5.4%  | 6.3%                  |
| 2015  | 5.1%  | 5.7%                  |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

|  |  |                       |
|--|--|-----------------------|
| <b>Name of Investment Option</b>                                   | <b>Smartsave Balanced*</b>   |                       |
| <b>Investment Objective</b>  | To outperform both the benchmark asset allocation weighted index portfolio and the relevant Morningstar survey median of Balanced managers over rolling three year periods, without increasing the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 3 years in any 20.   |                       |
| <b>Investment Strategy</b>   | To invest in a diversified range of fixed interest securities and funds, combined with an equal exposure to growth assets such as Australian and international shares.<br><br>Asset allocations will be actively managed within ranges around the long-term strategic asset allocations below, in accordance with the Investment Manager's assessment of global economic and market value conditions relative to the level of assumed risks. |                       |
| <b>Suggested Minimum Timeframe</b>                                 | 5 years  |                       |
| <b>Risk/Return Profile</b>   | Medium (Risk Band 4)   |                       |
| <b>Asset Allocation</b>  | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b>   |
| Australian shares  | 21.4   | 22.7                  |
| Global shares  | 22.5   | 22.6                  |
| Property   | 7.5  | 10.2                  |
| <i>Total growth assets</i>   | <b>51.4</b>  | <b>55.5</b>           |
| Fixed Interest   | 33.9   | 30.9                  |
| Cash**   | 14.7   | 13.6                  |
| <i>Total defensive assets</i>                                      | <b>48.6</b>  | <b>44.5</b>           |
| 5 Year Compound average annualised returns to 30 June 2015 (% pa): | <b>Smartsave</b>   | <b>Smart Pensions</b> |
|  | 5.6%   | 6.5%                  |
| Or since inception date (DD/MM/YYYY)                               | N/A  | N/A                   |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>      | <b>Smartsave</b>   | <b>Smart Pensions</b> |
| 2011   | 3.3%   | 2.7%                  |
| 2012   | 0.5%   | 1.6%                  |
| 2013   | 9.4%   | 11.1%                 |
| 2014   | 8.0%   | 9.1%                  |
| 2015   | 6.9%   | 7.4%                  |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

|   |  |                       |
|---|--|-----------------------|
| <b>Name of Investment Option</b>  | <b>Smartsave Growth*</b>   |                       |
| <b>Investment Objective</b>   | To outperform both the benchmark asset allocation weighted index portfolio and the relevant Morningstar survey median of Growth managers over rolling three year periods, without increasing the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 4 years in any 20.   |                       |
| <b>Investment Strategy</b>  | <p>To invest mainly in a diversified range of growth assets such as Australian and international shares, combined with a modest exposure to fixed interest securities and funds.</p> <p>Asset allocations will be actively managed within ranges around the long-term strategic asset allocations below, in accordance with the Investment Manager's assessment of global economic and market value conditions relative to the level of assumed risks.</p> |                       |
| <b>Suggested Minimum Timeframe</b>  | 7 years  |                       |
| <b>Risk/Return Profile</b>  | Medium to High (Risk Band 5)   |                       |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b>   |
| Australian shares   | 31.7   | 32.2                  |
| Global shares   | 27.9   | 32.7                  |
| Property  | 8.9  | 10.3                  |
| <i>Total growth assets</i>  | <b>68.5</b>  | <b>75.2</b>           |
| Fixed interest  | 22.2   | 20.4                  |
| Cash**  | 9.3  | 4.4                   |
| <i>Total defensive assets</i>   | <b>31.5</b>  | <b>24.8</b>           |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>   | <b>Smart Pensions</b> |
|   | 7.0%   | 7.6%                  |
| Or since inception date (DD/MM/YYYY)                                      | N/A  | N/A                   |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>   | <b>Smart Pensions</b> |
| 2011  | 3.4%   | 1.8%                  |
| 2012  | -1.5%  | 0.1%                  |
| 2013  | 14.1%  | 15.4%                 |
| 2014  | 11.8%  | 12.0%                 |
| 2015  | 8.2%   | 8.6%                  |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

|   |  |                       |
|---|--|-----------------------|
| <b>Name of Investment Option</b>  | <b>Smartsave High Growth*</b>  |                       |
| <b>Investment Objective</b>   | To outperform both the benchmark asset allocation weighted index portfolio and the relevant Morningstar survey median of High Growth managers over rolling three year periods, without increasing the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 6 years in any 20.  |                       |
| <b>Investment Strategy</b>  | To invest in a diversified range of growth assets such as Australian and international shares. The portfolio will invest in both direct securities and a range of complementary fund managers.<br><br>Asset allocations will be actively managed within ranges around the long-term strategic asset allocations below, in accordance with the Investment Manager's assessment of global economic and market value conditions relative to the level of assumed risks. |                       |
| <b>Suggested Minimum Timeframe</b>  | 10 years   |                       |
| <b>Risk/Return Profile</b>  | High (Risk Band 6)   |                       |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b>   |
| Australian shares   | 37.9   | 39.8                  |
| Global shares   | 40.9   | 40.5                  |
| Property  | 7.7  | 10.3                  |
| <i>Total growth assets</i>  | <b>86.5</b>  | <b>90.6</b>           |
| Fixed interest  | 7.3  | 5.1                   |
| Cash**  | 6.2  | 4.3                   |
| <i>Total defensive assets</i>   | <b>13.5</b>  | <b>9.4</b>            |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>   | <b>Smart Pensions</b> |
|   | 8.0%   | 9.1%                  |
| Or since inception date (DD/MM/YYYY)                                      | N/A  | N/A                   |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>   | <b>Smart Pensions</b> |
| 2011  | 3.9%   | 3.2%                  |
| 2012  | -2.5%  | -2.9%                 |
| 2013  | 18.1%  | 20.1%                 |
| 2014  | 13.0%  | 14.7%                 |
| 2015  | 9.4%   | 10.1%                 |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

|   |   |                       |
|---|---|-----------------------|
| <b>Name of Investment Option</b>  | <b>Smartsave Australian Shares – Imputation*</b>  |                       |
| <b>Investment Objective</b>   | To perform in line with the S&P/ASX 200 Accumulation benchmark index return over rolling three year periods, but with lower relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 6 years in any 20.   |                       |
| <b>Investment Strategy</b>  | To invest primarily in a diversified portfolio of directly-held Australian shares which have a relatively high and significantly imputed dividend yield in order to deliver investors with a strong, tax-effective income based component as part of the total return.<br><br>The option may include equity linked or hybrid securities as well as investing through managed funds which offer the opportunity to deliver strong levels of imputed income return for investors. |                       |
| <b>Suggested Minimum Timeframe</b>  | 10 years  |                       |
| <b>Risk/Return Profile</b>  | High (Risk Band 6)  |                       |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>   | <b>30/06/14 (%)</b>   |
| Australian shares   | 96.1  | 95.7                  |
| Global shares   | 0   | 0                     |
| Property  | 0   | 0                     |
| <i>Total growth assets</i>  | <b>96.1</b>   | <b>95.7</b>           |
| Fixed interest  | 0   | 0                     |
| Cash**  | 3.9   | 4.3                   |
| <i>Total defensive assets</i>   | <b>3.9</b>  | <b>4.3</b>            |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>  | <b>Smart Pensions</b> |
|   | N/A   | N/A                   |
| Or since inception date (DD/MM/YYYY)                                      | 8.5%<br>(01/07/2013)  | 9.4%<br>(01/07/2013)  |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>  | <b>Smart Pensions</b> |
| 2011  | N/A   | N/A                   |
| 2012  | N/A   | N/A                   |
| 2013  | N/A   | N/A                   |
| 2014  | 14.0%   | 15.8%                 |
| 2015  | 3.2%  | 3.2%                  |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

|   |  |                        |
|---|--|------------------------|
| <b>Name of Investment Option</b>  | <b>Smartsave Diversified Property*</b>   |                        |
| <b>Investment Objective</b>   | To outperform both the S&P/ASX 300 A-REIT benchmark index and the relevant Morningstar survey median of Australian Listed Property managers over rolling three year periods, without increasing the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 7 years in any 20.  |                        |
| <b>Investment Strategy</b>  | An enhanced index approach with the majority of investments made directly into listed property securities that comprise the S&P/ASX 200 A-REIT Index. These will be augmented with exposure to global property funds to provide strategic geographical diversification. Although the strategy typically includes an allocation of only 20% to pure index funds, the directly-held component will explicitly take account of the individual security index weightings. In addition the investment option may invest through managed funds to achieve access to a specific property segment. |                        |
| <b>Suggested Minimum Timeframe</b>  | 5 years  |                        |
| <b>Risk/Return Profile</b>  | Very High (Risk Band 7)  |                        |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b>    |
| Australian shares   | 0  | 0                      |
| Global shares   | 0  | 0                      |
| Property  | 97.4   | 94.9                   |
| <i>Total growth assets</i>  | <b>97.4</b>  | <b>94.9</b>            |
| Fixed interest  | 0  | 0                      |
| Cash**  | 2.6  | 5.1                    |
| <i>Total defensive assets</i>   | <b>2.6</b>   | <b>5.1</b>             |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>   | <b>Smart Pensions</b>  |
|   | N/A  | N/A                    |
| Or since inception date (DD/MM/YYYY)                                      | 12.6 %<br>(01/07/2013)   | 11.2 %<br>(01/07/2013) |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>   | <b>Smart Pensions</b>  |
| 2011  | N/A  | N/A                    |
| 2012  | N/A  | N/A                    |
| 2013  | N/A  | N/A                    |
| 2014  | 10.7%  | 8.0%                   |
| 2015  | 14.6%  | 14.4%                  |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

|   |   |                       |
|---|---|-----------------------|
| <b>Name of Investment Option</b>  | <b>Smartsave Australian Shares*</b>   |                       |
| <b>Investment Objective</b>   | To outperform both the S&P/ASX 200 Accumulation benchmark index and the relevant Morningstar survey median of Australian Share managers over rolling three year periods, without increasing the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 7 years in any 20.   |                       |
| <b>Investment Strategy</b>  | An enhanced index approach, with investments primarily made directly in a diversified selection of Australian listed securities that make up the S&P/ASX 200 Index. Although the strategy includes an allocation of only 20% to pure index funds, the directly-held component will explicitly take account of the individual security index weightings and typically only invest in the larger companies included in the ASX50 Index. Research will be undertaken utilising both bottom-up analysis at the individual stock level and top-down market and fund risk analysis to identify stocks which the Investment Manager believes are undervalued and offer long term growth prospects. |                       |
| <b>Suggested Minimum Timeframe</b>  | 10 years  |                       |
| <b>Risk/Return Profile</b>  | Very High (Risk Band 7)   |                       |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>   | <b>30/06/14 (%)</b>   |
| Australian shares   | 97.5  | 98.7                  |
| Global shares   | 0   | 0                     |
| Property  | 0   | 0                     |
| <i>Total growth assets</i>  | <b>97.5</b>   | <b>98.7</b>           |
| Fixed interest  | 0   | 0                     |
| Cash**  | 2.5   | 1.3                   |
| <i>Total defensive assets</i>   | <b>2.5</b>  | <b>1.3</b>            |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>  | <b>Smart Pensions</b> |
|   | 5.4%  | 7.6%                  |
| Or since inception date (DD/MM/YYYY)                                      | N/A   | N/A                   |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>  | <b>Smart Pensions</b> |
| 2011  | 5.0%  | 8.3%                  |
| 2012  | -8.6%   | -6.1%                 |
| 2013  | 17.3%   | 19.4%                 |
| 2014  | 12.3%   | 12.0%                 |
| 2015  | 3.6%  | 3.5%                  |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

|   |  |                       |
|---|--|-----------------------|
| <b>Name of Investment Option</b>  | <b>Smartsave Global Shares*</b>  |                       |
| <b>Investment Objective</b>   | To outperform both the MSCI World Accumulation (50% AUD hedged) benchmark index and the relevant Morningstar survey median of Global Shares managers over rolling three year periods, without increasing the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 7 years in any 20.   |                       |
| <b>Investment Strategy</b>  | <p>An enhanced index approach, investing, either directly or through other funds, into a diversified portfolio of international shares. The Investment Manager may use a mixture of index-investment funds to gain broad exposure to world markets, combined with a range of specially selected stocks and exchange traded funds that represent global themes with the potential to outperform the wider market over time.</p> <p>Whilst any index and managed funds used will tend to invest across the full universe of countries included in the MSCI Index, any directly-held shares and securities will normally be limited to companies listed on the major recognised stock exchanges (currently, for example, in the US, Canada, UK, Germany, France, Switzerland, Japan and Hong Kong). The Investment Manager will normally maintain a 50% hedge ratio, but may vary this ratio between 25% and 75% based on the assessed outlook for the Australian dollar.</p> |                       |
| <b>Suggested Minimum Timeframe</b>  | 10 years   |                       |
| <b>Risk/Return Profile</b>  | Very High (Risk Band 7)  |                       |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b>   |
| Australian shares   | 0  | 0                     |
| Global shares   | 97.9   | 98.5                  |
| Property  | 0  | 0                     |
| <i>Total growth assets</i>  | <b>97.9</b>  | <b>98.5</b>           |
| Fixed interest  | 0  | 0                     |
| Cash**  | 2.1  | 1.5                   |
| <i>Total defensive assets</i>   | <b>2.1</b>   | <b>1.5</b>            |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>   | <b>Smart Pensions</b> |
|   | 9.7%   | N/A                   |
| Or since inception date (DD/MM/YYYY)                                      | N/A  | 16.7%<br>(01/07/2013) |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>   | <b>Smart Pensions</b> |
| 2011  | -1.7%  | N/A                   |
| 2012  | -2.1%  | N/A                   |
| 2013  | 23.1%  | N/A                   |
| 2014  | 16.3%  | 14.9%                 |
| 2015  | 17.2%  | 18.5%                 |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

| Name of Investment Option   | Smartsave Resources*   |                       |
|---|--|-----------------------|
| <b>Investment Objective</b>   | To outperform the average of the S&P/ASX 200 Resources benchmark index and the HSBC Global Mining index over rolling five year periods, without increasing the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 7 years in any 20.   |                       |
| <b>Investment Strategy</b>  | To invest in a diversified portfolio of global and listed Australian resource sector stocks that are expected to deliver superior capital growth relative to the sector and wider market. Although broad resource-based index funds are not readily available, the investment option will utilise a range of sub-sector resource index funds where applicable in order to provide the core exposure.<br><br>The Investment Manager may also include exposure to fund managers who specialise in the resource sector to gain exposure to specific sectors. Research will be undertaken utilising both bottom-up analysis at the individual stock level and top-down market and risk analysis to identify stocks which the Investment Manager believes are undervalued and offer long term growth prospects. |                       |
| <b>Suggested Minimum Timeframe</b>  | 10 years   |                       |
| <b>Risk/Return Profile</b>  | Very High (Risk Band 7)  |                       |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b>   |
| Australian shares   | 65.4   | 65.7                  |
| Global shares   | 28.7   | 28.8                  |
| Property  | 0  | 0                     |
| <b>Total growth assets</b>  | <b>94.1</b>  | <b>94.5</b>           |
| Fixed interest  | 0  | 0                     |
| Cash**  | 5.9  | 5.5                   |
| <b>Total defensive assets</b>   | <b>5.9</b>   | <b>5.5</b>            |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>   | <b>Smart Pensions</b> |
|   | N/A  | N/A                   |
| Or since inception date (DD/MM/YYYY)                                      | -2.6%<br>(01/07/2013)  | -1.3%<br>(01/07/2013) |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>   | <b>Smart Pensions</b> |
| 2011  | N/A  | N/A                   |
| 2012  | N/A  | N/A                   |
| 2013  | N/A  | N/A                   |
| 2014  | 15.3%  | 17.6%                 |
| 2015  | -17.7%   | -17.2%                |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

|   |  |                       |
|---|--|-----------------------|
| <b>Name of Investment Option</b>  | <b>Smartsave Australian Shares – Small Companies*</b>  |                       |
| <b>Investment Objective</b>   | To outperform the S&P/ASX Small Ordinaries Accumulation benchmark index over rolling three year periods, without increasing the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 8 years in any 20.  |                       |
| <b>Investment Strategy</b>  | To invest either directly or through selected managers in a range of Australian smaller company shares outside of the S&P/ASX 50, which are expected to deliver superior capital growth ahead of the wider market. Research will be undertaken utilising both bottom-up analysis at the individual stock level and top-down market risk analysis to identify stocks which the Investment Manager believes are currently undervalued and offer long term growth prospects. The investment option may gain access to securities through selecting a range of specialist small cap managers with specific investment mandates on an individually managed account basis. |                       |
| <b>Suggested Minimum Timeframe</b>  | 10 years   |                       |
| <b>Risk/Return Profile</b>  | Very High (Risk Band 7)  |                       |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b>   |
| Australian shares   | 95.4   | 96.0                  |
| Global shares   | 0  | 0                     |
| Property  | 0  | 0                     |
| <i>Total growth assets</i>  | <b>95.4</b>  | <b>96.0</b>           |
| Fixed interest  | 0  | 0                     |
| Cash**  | 4.6  | 4.0                   |
| <i>Total defensive assets</i>   | <b>4.6</b>   | <b>4.0</b>            |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>   | <b>Smart Pensions</b> |
|   | N/A  | N/A                   |
| Or since inception date (DD/MM/YYYY)                                      | 4.2%<br>(01/07/2013)   | 3.6%<br>(01/07/2013)  |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>   | <b>Smart Pensions</b> |
| 2011  | N/A  | N/A                   |
| 2012  | N/A  | N/A                   |
| 2013  | N/A  | N/A                   |
| 2014  | 9.9%   | 9.1%                  |
| 2015  | -1.2%  | -1.7%                 |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

|   |  |                       |
|---|--|-----------------------|
| <b>Name of Investment Option</b>  | <b>Smartsave Australian Shares – Geared*</b>   |                       |
| <b>Investment Objective</b>   | To outperform both the S&P/ASX 200 Accumulation benchmark index and the ungeared Australian Shares Portfolio over rolling five year periods, consistent with the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 9 years in any 20.   |                       |
| <b>Investment Strategy</b>  | <p>An enhanced index approach, with investments primarily made directly in a diversified selection of Australian listed securities that make up the S&amp;P/ASX 200 Index. Although the strategy includes an allocation of only 20% to pure index funds, the directly-held component will explicitly take account of the individual security index weightings and typically only invest in the larger companies included in the ASX50 Index.</p> <p>The option can borrow up to 50% of the net value of the assets, however, the actual gearing level is expected to average around 25%, depending upon the level of prevailing (borrowing) interest rates and the overall value of the share market relative to long-term averages.</p> |                       |
| <b>Suggested Minimum Timeframe</b>  | 10 years   |                       |
| <b>Risk/Return Profile</b>  | Very High (Risk Band 7)  |                       |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b>   |
| Australian shares   | 97.6   | 97.6                  |
| Global shares   | 0  | 0                     |
| Property  | 0  | 0                     |
| <i>Total growth assets</i>  | <b>97.6</b>  | <b>97.6</b>           |
| Fixed interest  | 0  | 0                     |
| Cash**  | 2.4  | 2.4                   |
| <i>Total defensive assets</i>   | <b>2.4</b>   | <b>2.4</b>            |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>   | <b>Smart Pensions</b> |
|   | N/A  | N/A                   |
| Or since inception date (DD/MM/YYYY)                                      | 12.7%<br>(01/07/2013)  | 15.2%<br>(01/07/2013) |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>   | <b>Smart Pensions</b> |
| 2011  | N/A  | N/A                   |
| 2012  | N/A  | N/A                   |
| 2013  | N/A  | N/A                   |
| 2014  | 18.9%  | 23.1%                 |
| 2015  | 6.8%   | 7.9%                  |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.

\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)

The following investment option is only available for those members in Smartsave Employer Super who do not make an investment choice – it is a default investment option and is not available for selection under the Smartsave Choice Menu.

|   |  |                     |
|---|--|---------------------|
| <b>Name of Investment Option</b>  | <b>Smartsave MySuper Balanced*</b>   |                     |
| <b>Investment Objective</b>   | To outperform both the benchmark asset allocation weighted index portfolio and the relevant Morningstar survey median of Balanced managers over rolling three year periods, without increasing the relative quarterly return volatility risk. Achievement of this risk objective should therefore limit the probability of a negative return in any one year to less than 3 years in any 20. Smartsave MySuper Balanced aims to achieve a return of CPI + 2% over 10 year rolling periods. |                     |
| <b>Investment Strategy</b>  | To invest in a diversified range of fixed interest securities and funds, combined with an equal exposure to growth assets such as Australian and international shares.<br><br>Asset allocations will be actively managed within ranges around the long-term strategic asset allocations below, in accordance with the Investment Manager's assessment of global economic and market value conditions relative to the level of assumed risks.   |                     |
| <b>Suggested Minimum Timeframe</b>  | 5 years  |                     |
| <b>Risk/Return Profile</b>  | Medium (Risk Band 4)   |                     |
| <b>Asset Allocation</b>   | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b> |
| Australian shares   | 23.1   | 22.2                |
| Global shares   | 21.4   | 20.6                |
| Property  | 3.9  | 3.6                 |
| <i>Total growth assets</i>  | <b>48.4</b>  | <b>46.4</b>         |
| Fixed interest  | 44.6   | 41.5                |
| Cash**  | 7.0  | 41.5                |
| <i>Total defensive assets</i>   | <b>51.6</b>  | <b>53.6</b>         |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>   |                     |
|   | N/A  |                     |
| Or since inception date (DD/MM/YYYY)                                      | 6.7%<br>(01/01/2014)   |                     |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>   |                     |
| 2011  | N/A  |                     |
| 2012  | N/A  |                     |
| 2013  | N/A  |                     |
| 2014  | N/A  |                     |
| 2015  | 7.1%   |                     |

*Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes.*

*\* If you invest in this investment option the amounts invested with the various fund managers will be determined by Tranzact Consulting Pty Limited (TCL) and/or the Trustee and there will be no ability on the part of members to select the underlying investments or fund managers.*

*\*\* Cash in this context means investments in high quality short term call deposits, cash equivalent securities, such as semi-government, bank bills of exchange, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent)*

## CLOSED INVESTMENTS

Please note that the commentaries which follow for the closed investments funds for LM Mortgage Income Fund, Macarthur Cook Mortgage Fund and Smartsave High-Yield B were applicable at the time they were open. An update of the current positions can be found on page 22.

| LM Mortgage Income Fund   |  |                       |
|---|--|-----------------------|
| <b>Fund Manager</b>   | LM Investment Management Limited (LM)  |                       |
| <b>Investment Objective</b>   | To provide a regular income stream while maintaining capital. Income is generally derived from first mortgages so the potential for capital growth is low.   |                       |
| <b>Investment Strategy</b>  | <p>LM's investment approach is based on responsible lending policies with a focus on short to medium term fixed rate first mortgages that are diversified by sector, geographic location, and size. The option invests in:-</p> <ul style="list-style-type: none"> <li>• a diversified portfolio of registered first mortgages over commercial, residential, industrial, retail and vacant land; and</li> <li>• interest bearing cash investments and "at call" securities.</li> </ul> <p>The Trustee provided LM with a full redemption request in September 2008 and suspended all applications and redemptions to and from this option with effect from 22 August 2008. The total investment was due to be paid on 2 April 2009. On 3 March 2009 LM closed the underlying fund to all applications and redemptions.</p> <p>The underlying fund remains closed to all applications and redemptions until further notice.</p> |                       |
| <b>Suggested Minimum Timeframe</b>  | 2 years  |                       |
| <b>Risk/Return Profile</b>  | Medium   |                       |
| <b>Asset allocation</b>   | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b>   |
| Australian shares   | 0  | 0                     |
| International shares  | 0  | 0                     |
| Property  | 0  | 0                     |
| <b>Total growth assets</b>  | <b>0</b>   | <b>0</b>              |
| Fixed interest  | 98.0   | 98.0                  |
| Cash  | 2.0*   | 2.0                   |
| <b>Total defensive assets</b>   | <b>100</b>   | <b>100</b>            |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>   | <b>Smart Pensions</b> |
|   | -32.3%   | -28.2%                |
| Or since inception date (DD/MM/YYYY)                                      | N/A  | N/A                   |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>   | <b>Smart Pensions</b> |
| 2011  | 0.1%   | -0.1%                 |
| 2012  | -25.4%   | -38.6%                |
| 2013  | -23.0%   | -37.0%                |
| 2014  | -71.1%   | -42.2%                |
| 2015  | -14.6%   | -14.3%                |

| MacarthurCook Mortgage Fund   |                       |  |
|---|-----------------------|--|
| <b>MacarthurCook Funds Management Limited</b>   |                       |  |
| To provide investors with regular monthly income with a low level of investment risk, and to outperform the UBS Bank Bill Index (after fees and charges).   |                       |  |
| <p>The option primarily invests in a diversified portfolio of mortgages over retail, commercial, investment residential and industrial property and other income producing assets.</p> <p>On 24 October 2008 the Fund Manager suspended all applications and redemptions to and from the underlying fund. The Fund Manager has allowed quarterly redemptions since that date and these will continue until all monies are redeemed.</p> |                       |  |
| 2 years   |                       |  |
| Low to Medium   |                       |  |
| <b>30/06/15 (%)</b>   | <b>30/06/14 (%)</b>   |  |
| 0   | 0                     |  |
| 0   | 0                     |  |
| 0   | 0                     |  |
| <b>0</b>  | <b>0</b>              |  |
| 90.0  | 90.0                  |  |
| 10.0**  | 10.0                  |  |
| <b>100</b>  | <b>100</b>            |  |
| <b>Smartsave</b>  | <b>Smart Pensions</b> |  |
| 2.9%  | 2.4%                  |  |
| N/A   | N/A                   |  |
| <b>Smartsave</b>  | <b>Smart Pensions</b> |  |
| 4.4%  | 5.2%                  |  |
| 2.8%  | 3.2%                  |  |
| 1.6%  | 2.0%                  |  |
| 2.0%  | 2.3%                  |  |
| 1.7%  | 1.5%                  |  |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* Cash in this context means cash and at call securities.

\*\* Cash in this context means bank deposits and short term money market securities with a maturity of less than 185 days.

|   |  |                       |
|---|--|-----------------------|
|   | <b>Smartsave High-Yield B**</b>  |                       |
| <b>Fund Manager</b>   | <b>Basis Capital Pty Ltd</b>   |                       |
| <b>Investment Objective</b>   | To provide investors with relatively stable returns with an emphasis on income yield and maintaining a secure capital base, rather than seeking capital growth.  |                       |
| <b>Investment Strategy</b>  | The option invests in the Basis Yield Fund. On 16 July 2007 the Fund Manager suspended all applications and redemptions to and from the underlying fund.<br>Information on asset allocation and unit pricing (and consequently investment returns) is not available until the Fund Manager re-opens the underlying fund. |                       |
| <b>Suggested Minimum Timeframe</b>  | 3 years  |                       |
| <b>Risk/Return Profile</b>  | Low to Medium  |                       |
| <b>Asset allocation</b>   | <b>30/06/15 (%)</b>  | <b>30/06/14 (%)</b>   |
| Australian shares   | N/A  | N/A                   |
| International shares  | N/A  | N/A                   |
| Property  | N/A  | N/A                   |
| <i>Total growth assets</i>  | <b>N/A</b>   | <b>N/A</b>            |
| Aust. fixed interest  | N/A  | N/A                   |
| Int. fixed interest   | N/A  | N/A                   |
| Cash  | N/A  | N/A                   |
| <i>Total defensive assets</i>   | <b>N/A</b>   | <b>N/A</b>            |
| <b>5 Year Compound average annualised returns to 30 June 2015 (% pa):</b> | <b>Smartsave</b>   | <b>Smart Pensions</b> |
|   | N/A  | N/A                   |
| Or since inception date (DD/MM/YYYY)                                      | N/A  | N/A                   |
| <b>Annual rate of return for 12 months to 30 June (% pa):</b>             | <b>Smartsave</b>   | <b>Smart Pensions</b> |
| 2011  | N/A  | N/A                   |
| 2012  | N/A  | N/A                   |
| 2013  | N/A  | N/A                   |
| 2014  | N/A  | N/A                   |
| 2015  | N/A  | N/A                   |

Investment returns are after the deduction of applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes. Investment returns for Smart Pensions are shown separately to reflect the different taxation treatment of pension assets.

\* Cash in this context means bank deposits and government backed securities with a maturity of less than 2 years.

\*\* Since closing their fund to new money and redemptions, the fund manager has not issued a unit price or provided the investment option's asset allocation

## UPDATE ON SMARTSAVE'S ILLIQUID (CLOSED) INVESTMENTS

### **LM First Mortgage Income Fund (FMIF)**

As previously advised, on 8 August 2013, the Supreme Court of Queensland ordered LM to wind up the LM First Mortgage Income Fund. Mr David Whyte of BDO was appointed the receiver.

For the latest information on the current status of the Fund, the Receiver's ninth report is available from:  
[www.trilogyfunds.com.au/wp-content/uploads/2015/05/2015-04-30-FMIF-Ninth-Report-to-Investors.pdf](http://www.trilogyfunds.com.au/wp-content/uploads/2015/05/2015-04-30-FMIF-Ninth-Report-to-Investors.pdf).

### **MacarthurCook Mortgage Fund**

MacarthurCook has continued to pay full interest plus they have instigated a quarterly drawdown facility. As at 30 June 2015, over 99.1% of money invested have been returned. MacarthurCook has confirmed that it will continue the current redemption process until all funds are returned to members, i.e. 25% of the (remaining) balance owing each quarter.

### **Smartsave High Yield B (Basis Capital)**

Basis Capital has not provided a timeframe for reopening the Fund. If we receive further information from Basis Capital those members affected will be advised in writing of the choices available to them at that time.



## PLAN INVESTMENTS

Set out below is certain information about Smartsave's investments as a whole.

### Investments held representing more than 5% of Plan assets

At 30 June 2015, the following investment products each held 5% or more of Smartsave's assets.

| Investment Product  | Amount Invested | % of Plan Assets |
|---|-----------------|------------------|
| Bank SA   | \$12,331,383    | 5.98%            |
| Vanguard International Fixed Interest Index Fund (AUD Hedged) | \$13,535,722    | 6.56%            |
| Vanguard International Shares Index Fund                      | \$27,430,601    | 13.30%           |

### Investment in Derivatives

Derivatives are investments that derive their value from an underlying asset or asset class (for example, an option to purchase a share at a particular price sometime in the future).

The Trustee does not intend to directly invest in any futures, options or other similar investments. However, where applicable, the underlying fund managers may use such investments indirectly as a hedging device to help protect the value of assets against a significant decline in investment markets.

If you wish to obtain further information in respect of whether an underlying fund manager uses derivatives, you should refer to the relevant section in the PDS for the specific investment option. You can access this PDS on Smartsave's website ([www.smartsavesuper.com.au](http://www.smartsavesuper.com.au)) or you can contact Client Services on 1300 654 720 and request that a hard copy be sent to you via mail free of charge.



## FINANCIAL SUMMARY

Set out below is an abridged version of Smartsave's unaudited Financial Statements for the year ended 30 June 2015. A copy of the full audited Financial Statements and auditor's report will be available on request from the Trustee via Client Services on 1300 654 720. It is expected that these reports will be available after 30 September 2015.

| <b>.SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015</b> |                                |                              |
|--|--------------------------------|------------------------------|
| <b>Item</b>  | <b>2015 (unaudited) \$'000</b> | <b>2014 (audited) \$'000</b> |
| <b>Assets</b>  |                                |                              |
| Investments  | 203,521                        | 204,244                      |
| Other assets   | 2,751                          | 4,338                        |
| <b>Total</b>   | <b>206,272</b>                 | <b>208,582</b>               |
| <b>Less Liabilities</b>  |                                |                              |
| Income tax liabilities   | 130                            | 225                          |
| Other liabilities  | 2,224                          | 2,646                        |
| <b>Total</b>   | <b>2,354</b>                   | <b>2,421</b>                 |
| Equals net assets available to pay benefits                        | 203,918                        | 206,161                      |
| Represented by liability for accrued benefits                      | 203,918                        | 206,161                      |
| <b>Movement in Liability for Accrued Benefit</b>                   |                                |                              |
| Opening balance  | 206,161                        | 211,601                      |
| Increase in accrued benefits                                       | 26,193                         | 29,425                       |
| Benefits paid  | 28,436                         | 34,865                       |
| Closing balance  | 203,918                        | 206,161                      |

| <b>SUMMARY OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2015</b> |                                |                              |
|--|--------------------------------|------------------------------|
| <b>Item</b>  | <b>2015 (unaudited) \$'000</b> | <b>2014 (audited) \$'000</b> |
| <b>Revenue</b>   |                                |                              |
| Gross investment income  | 16,595                         | 19,854                       |
| Contributions and transfers from other funds                       | 16,271                         | 18,385                       |
| Other revenue  | 4,285                          | 3,498                        |
| <b>Total</b>   | <b>37,151</b>                  | <b>41,737</b>                |
| <b>Less Expenses</b>   |                                |                              |
| Group life insurance premiums                                      | 2,912                          | 3,290                        |
| General administration expenses                                    | 6,477                          | 7,528                        |
| Income tax expense   | 1,569                          | 1,494                        |
| <b>Total</b>   | <b>10,958</b>                  | <b>12,312</b>                |
| Equals benefits accrued as a result of operations                  | 26,193                         | 29,425                       |

## SUPERANNUATION DEVELOPMENTS

### 1. Pension changes 2015 Federal Budget – New assets test limits

#### **To receive a full pension:**

From 1 January 2017, the Government will increase the assets test limit to qualify for a full pension, from \$286,500 to \$375,000 for couples (and from \$202,000 to \$250,000 for single people).

This means that more Australians will be eligible for the full Age Pension.

#### **To receive a part-pension:**

The pension amount you lose for owning assets above the full Age Pension threshold will increase.

Currently, your pension rate reduces by \$1.50 per fortnight for every \$1,000 over the limit. So if you're \$10,000 over the limit your rate of pension is reduced by \$15 per fortnight. This is sometimes referred to as the 'taper rate'.

From 1 January 2017, your pension may be reduced by \$3 per fortnight for every \$1,000 of assets you own over the full Age Pension threshold.

#### **Maximum limits before your pension is cut-off:**

Because your pension is cut at a faster rate for having more assets, it means the 'upper limit' to receive a part-pension and the associated benefits will decrease from \$1,151,500 to \$823,000 for couples (and from \$775,500 to \$547,000 for single people).

#### **Age Pension Dates**

Men and women currently aged 65 are eligible for the age pension. However the qualifying age is about to change in future years. The Government announced in 2009 that the Age Pension age will start increasing from 2017 to reach 67 years of age by 2023.

Five years on in the 2014 Federal Budget, it was announced that the Age Pension age is set to increase further to 70 years of age from 2035. Both these changes will occur in a staggered approach rather than in one swift increase. Use the following table to work out your qualifying age.

#### **Qualifying Age**

| DATE OF BIRTH BETWEEN            | ELIGIBLE AT AGE |
|----------------------------------|-----------------|
| 1 July 1952 to 31 Dec 1953       | 65.5            |
| 1 Jan 1954 to 30 June 1955       | 66              |
| 1 July 1955 to 31 Dec 1956       | 66.5            |
| 1 January 1957 and 30 June 1958  | 67              |
| 1 July 1958 and 31 December 1959 | 67.5            |
| 1 January 1960 and 30 June 1961  | 68              |
| 1 July 1961 and 31 December 1962 | 68.5            |
| 1 January 1963 and 30 June 1964  | 69              |
| 1 July 1964 and 31 December 1965 | 69.5            |
| 1 January 1966 and later         | 70              |

This change is bound to impact the potential retirement age of Australians going forward. For most, the Age Pension remains a key part of any retirement plan, even when you have superannuation and other investments. Regardless if you are only entitled to a few dollars in Age Pension, you still qualify for the extra benefits such as discounts on prescriptions, council rates and some other household bills. Around 77% of Australians over the age of 65 receive some income support from the government.

## 2. Changes to Terminal Illness Payments

On Thursday 25th June 2015 amendments to the way in which super funds could treat Terminal Illness was given assent and registered on Monday 29th June 2015.

The purpose of this new regulation is to extend the certification period for a terminal medical condition (to 24 months) for the purposes of releasing benefits from superannuation and the tax-free treatment of those benefits. Under the previous provisions, a person with a terminal medical condition was required to obtain certification from medical specialists that they have less than 12 months to live.

You should note at this stage this regulation will only apply to super benefits eg the accumulated value of your investments. We are presently negotiating with our Insurer to bring this change into your insurance benefits and hopefully this can be achieved in the near future.



## OTHER IMPORTANT INFORMATION

### Eligible Rollover Fund

Smartsave has changed its Eligible Rollover Fund from SERF to SMERF. In some situations, the Trustee may transfer your benefit to an eligible rollover fund. These situations include:

- if you are a member of Smartsave Personal Super, when your account balance is below \$1,200;
- if you are a member of Smartsave Employer Super, when your account balance is below \$1,200 and the Trustee has not received a contribution for you in the preceding 12 months; or
- subject to the requirements in relation to transferring account balances to the ATO (see below), if the Trustee determines to treat you as a lost member, that is:
  - one or more written communications to you are returned unclaimed; or
  - no contribution or rollover has been paid into your account for five years.

Once your benefit has been paid to an eligible rollover fund you will no longer be a Smartsave member and all insurance cover will cease. An eligible rollover fund must protect your benefit from further erosion caused by administration costs charged directly to your account but your account value can reduce due to negative investment returns and taxes.

Full details of SMERF including how to access their PDS can also be found in the relevant Member Guide which is available from your Adviser, Client Services or can be downloaded from our website at [www.smartsavesuper.com.au](http://www.smartsavesuper.com.au).

Please note that once your benefit has been paid to SMERF, you will cease to be a member of Smartsave and may be subject to a different fee structure. Any insurance cover you had as part of your membership in Smartsave will also cease at the time of transfer.

The Trustee of Smartsave is also the Trustee for SMERF.

### Why is it important to keep your details up to date?

It's important that you stay in touch with us and keep your account active, so you don't become lost. You may be classified as a 'lost member' if:

- two items of written correspondence to you are returned to us as unclaimed mail from your last known address; or
- you are in an employer plan and we have not received a contribution or rollover from you, or on your behalf, in the last 5 years of membership.

We are required to report 'lost members' to the ATO.

Additionally, we are required to transfer lost member accounts to the ATO as unclaimed if:

- the account balance is less than \$2,000; and
- we have insufficient records to identify the rightful owner of the account and have not received a contribution or rollover from, or on behalf of, you in the last 12 months of membership (applicable to both members of Smartsave Employer Super and Smartsave Personal Choice).

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

Your super benefit may also be classified as 'unclaimed money' and paid to the ATO if:

- you are age 65 or over;
- you are a temporary resident and have since permanently left Australia;
- we have not received a contribution or rollover from you, or on your behalf, for two years; and
- we are unable to contact you after five years since we last contacted you.

If you are a former temporary resident whose superannuation benefits have been transferred to the ATO as unclaimed money, you may not be notified of this or receive an exit statement from the Fund after the transfer occurs. The Trustee will rely on relief provided by the Australian Securities & Investments Commission Class Order [CO 09/437] which says, in effect, that the trustee of a superannuation fund is not obliged to meet certain disclosure requirements in relation to non-residents that have ceased to hold an interest in the fund as a result of the payment of unclaimed superannuation to the Commissioner of Taxation. More information can be obtained on the Australian Taxation Office website at [www.ato.gov.au](http://www.ato.gov.au).

Further information can also be obtained by contacting Client Services on 1300 654 720.

## Reserving Policy

The Trustee maintains an Expense Reserve in order to manage the expenses of the Plan and has established an Operational Risk Financial Requirement (ORFR) Reserve to provide funding for incidents where material losses may arise from operational risk relating to the Fund.

For the Expenses Reserve a charge is made to each Member's Account (currently 0.3% per annum) to allow for the payment of Plan expenses and tax as and when they arise. The Expense Reserve policy may change in future years.

Under the Government's Stronger Super regime, every public offer superannuation fund is required to establish a reserve to cover operational risks. This is known as the Operational Risk Financial Requirement. This reserve can only be used to cover risks arising from the day to day operations of the Plan. A levy of 0.1% of total fund assets per annum commencing 1 July 2013 will be charged to the Plan for the period 1 July 2013 to 1 July 2016. This amount will be included within the unit price calculations of each investment option. The funds raised will be invested separately from the Plan in a special account set up and managed by the Trustee.

## Movement in Reserves

| Balance as at:  | 30 June 15  | 30 June 14  | 30 June 13  |
|-----------------|-------------|-------------|-------------|
| Expense Reserve | \$1,758,520 | \$1,448,860 | \$1,473,573 |
| ORFR Reserve    | \$528,155   | \$441,542   | Nil         |
| Total Reserves  | \$2,286,675 | \$1,890,402 | \$1,473,573 |

## Surcharge

The Superannuation Contribution Surcharge payable by higher income members was abolished for contributions paid after 30 June 2005. However, there may still be a surcharge shown on your Annual Statement of Benefits in relation to a charge imposed from previous financial years. If the surcharge is applicable it is deducted from your account. Further general information on this is available on request.

## Relationship between the Trustee and some service providers to Smartsave

The Trustee, Administrator, Investment Manager and Promoter are member companies of the Diversa Group.



## Enquiries and complaints

The Trustee has an established procedure for dealing with enquiries and complaints.

### What is an Enquiry?

An enquiry is a request to answer any question or provide further information in relation to Smartsave. The Trustee is obliged to provide you with any information you may reasonably require to understand your benefits. Where your enquiry is straightforward it may be able to be dealt with by your contact person, i.e.:

Administration Manager  
Tranzact Superannuation Services Pty Ltd  
PO Box R173  
Royal Exchange  
NSW 1225

Phone: (02) 9236 5600

Fax: (02) 9236 5699

Email: admin@tranzact.com.au

If you do not receive a satisfactory response within 28 days, you should immediately contact the Trustee contact via the Complaints Officer (see below).

### What is a Complaint?

A complaint is where you express dissatisfaction with some aspect of Smartsave's service to you or other decision relating to your interest in Smartsave.

Complaints are to be directed to the Trustee's Complaints Officer whose details are listed below. The Trustee has an internal dispute resolution system in place and all member complaints are reviewed and responded to within 90 days from the receipt of the complaint. Please send all your complaints to:

Complaints Officer  
Tranzact Superannuation Services Pty Ltd  
PO Box R173  
Royal Exchange  
NSW 1225

Phone: (02) 9236 5600

Fax: (02) 9236 5699

Email: admin@tranzact.com.au

### Superannuation Complaints Tribunal

If you are not satisfied with the Trustee's handling of your complaint or the decision, or the Trustee fails to respond to your complaint within 90 days, you may refer the complaint to the Superannuation Complaints Tribunal (Tribunal).

The Tribunal is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain types of complaints with trustees. You can telephone the Tribunal from anywhere in Australia for the cost of a local call on 1300 884 114. The postal address for the Tribunal is:

Superannuation Complaints Tribunal  
Locked Bag 3060  
Melbourne VIC 3001

The Tribunal may be able to assist you to resolve your complaint, but only if you are not satisfied with the response resulting from the Trustee's handling of your complaint. The Tribunal cannot consider:

- complaints outside the Tribunal's jurisdiction, e.g. complaints about the general management of a fund;
- complaints that have not been dealt with by a fund's internal procedures; or
- complaints subject to Court proceedings.

If the Tribunal accepts your complaint, it will attempt to resolve the matter through conciliation, which involves assisting you and the Trustee in reaching a mutual agreement. If conciliation is unsuccessful, the complaint is referred to the Tribunal for a determination that is binding on all parties. However, a decision of the Tribunal may be appealed to the Administrative Appeals Tribunal or the Federal Court for review.

## Privacy

We are committed to protecting the privacy of the personal information that you provide to us and we only collect personal information from you that is necessary for us to provide assistance to you. We need to collect the personal information requested to provide us with sufficient information to process your application to join Smartsave or to manage your participation in Smartsave. If you do not provide this information, we may not be able to process your application.

We will not pass on your personal information to any other body, unless:

- the law requires us to do so;
- we believe your Adviser (if applicable) needs the information and you have previously consented to information being provided to your Adviser;
- the Promoter, or a sub-promoter appointed by the Promoter, needs to send you promotional material (if you do not wish to receive promotional material, please contact and advise us at any time); or
- we need to disclose your personal information to agents that provide administration or specialist services to us. We require our agents to keep any personal information about an investor confidential and to only use it for the purposes of providing services to them.

From time to time, we might also be required to disclose information concerning you or your account to:

- your employer, if your employer has agreed to participate in Smartsave;
- your spouse and/or their legal adviser where a valid request for information is received under government legislation;
- the trustee of another fund where you request benefits to be transferred from that fund to your account or where you request us to transfer your account benefits to another fund;
- an insurer providing insurance benefits to members, when we receive an application from you for the purpose of providing you with insurance cover, an insurance claim or a claim for superannuation benefits based on medical grounds. The insurer may refer your health information to their health and medical experts for consideration;
- any deposit-taking institution to allow for the electronic transfer of funds; and
- regulators such as ASIC, the ATO, APRA and AUSTRAC.

You can also tell us at any time not to pass on your personal information for certain purposes, by advising us in writing.

If you would like a copy of the Privacy Policy or you would like to access the personal information that we have collected from you, please contact the Privacy Officer on 1300 654 720. If you wish to lodge a complaint about privacy please contact the Privacy Officer on the above telephone number.

To find out more about rights and remedies for breaches of privacy, you can visit the Privacy Commissioner's website at [www.privacy.gov.au](http://www.privacy.gov.au) or contact the Privacy Commissioner's hotline on 1300 363 992.

## Family Law and superannuation

Your superannuation interests may be divided by formal agreement or by a Family Court order. Interests may be divided in the accumulation phase (pre-retirement) either as an agreed amount or percentage. Interests may also be divided in the payment phase (when you are in receipt of a pension) as a percentage of the regular pension payments or as a lump sum. Only superannuation interests of \$5,000 or above may be split.

As this legislation is complex, you should seek professional advice on the consequences of separation and divorce on your superannuation interests.

## Policy committees

All employers who contribute to Smartsave for more than 49 employees are required to form a policy committee. Each policy committee consists of an equal number of employee representatives and employer representatives and the Trustee must ensure, so far as practicable, that the policy committee meets at least once in each 12 month period and must provide facilities reasonably necessary to enable the committee to meet and to function properly.

The policy committee is designed to provide an avenue for members to make enquiries regarding the operation and performance of Smartsave, including the investment strategy and objectives and for the Trustee to obtain the views of the members in respect of Smartsave. The employer nominates the employer representatives. The employees nominate the employee representatives.

If more employee representatives are nominated than there are vacancies, a ballot must be held to decide who shall be the employee representatives.

Policy committees must also be established where an employer has between 4 and 50 members and at least 5 members request in writing that a policy committee be established. If there is a policy committee at your place of employment, the names of your policy committee representatives will be included on your Annual Statement of Benefits.

There is no policy committee currently operating in the Fund and none operational in the 2014/15 financial year.

