

Smartsave

'Member's Choice' Superannuation Master Plan



Annual report 2017

Contents

Report from the Board of Trustees	4
Governance	5
Investments	8
Investment options	10
Investment allocation	17
Investment performance	18
Investment managers	19
What's new in Super	20
Important information	26
Directory	29





About this annual report

This Annual Report is for members of Smartsave 'Member's Choice' Superannuation Master Plan (Smartsave or the Fund) ABN 43 905 581 638 Registrable Superannuation Entity R1001341 MySuper No. 43905581638357.

This Annual Report has been issued by Diversa Trustees (the Trustee or Diversa Trustees or We) ABN 49 006421 638, AFSL 235125 RSE Licence L0000635 as Trustee of Smartsave 'Member's Choice' Superannuation Master Plan (Smartsave or the Fund).

This annual report will assist you to understand your superannuation benefits. It should be read in conjunction with your 2017 Member Statement.

This Report has been prepared in accordance with the Corporations Act and Corporations Regulations 2001. While all reasonable care has been taken to ensure the information contained in this report is correct, the Trustee reserves the right to correct any error, misprint or omission. Information contained in this report is accurate as at 30 June 2017, based on information provided to the Trustee by the Fund's service providers and underlying Investment Managers. Information contained within this Report is specific to the Fund, unless stated otherwise.

Neither the Trustee nor any of its service providers guarantee the performance of any of the investments available within the Fund.

The information in this document is intended to provide you with general information only and does not take into account your personal objectives, financial situation or needs. Before making any financial decisions about Smartsave, it is important that you consider the current product disclosure statement (PDS) relevant to your membership and consider your particular circumstances and whether the particular financial product is right for you. The current PDS for each product is available on www.smartsavesuper.com.au. You should consult a financial adviser if you require personal advice

Report from the Board of Trustees



The year presented market challenges, consolidation and changes for the better along with continuing commitment to serving Smartsave members.



Welcome to our annual report for the year to June 2017. The year presented market challenges, consolidation and changes for the better along with continuing commitment to serving Smartsave members.

Once again, the environment was one of change, with the year starting with the fallout and recovery from the Brexit vote, then onto the Trump presidential win and the confirming of some key changes in the Australian superannuation system.

The changes to the superannuation system give rise to a number of changes such as the amounts that can be contributed to super each year, caps on the amount that can be used to start a pension and eligibility to make personal contributions.

Diversa is part of the expanding OneVue Group, which provides superannuation and investment management solutions. Leveraging the strength of this group is an important priority for the Trustee Board and this continued to be a key strategy through the year.

The Trustee has been focussing on building a stronger fund for the members' benefit. We aim to provide a high quality of service to our members and ensure that Smartsave complies with all relevant legislation, audit and regulatory requirements. The Fund's introduction of the SuperMatch2 service online will allow members to match their tax file number and accompanying identification with the ATO client register. This gives our members the opportunity to locate lost and existing super. The Board provides leadership and vision for the organisation and monitors investment strategies and returns for each product.

Investment management

Returns for the 2017 financial year have improved on those for 2016 with the High Growth option recording a 9.6% return for the year for accumulation members and 8.0% for pension members. The returns in the High Growth option have been positive for five straight years with the 5 year return at 10.0% per annum (and for the Growth option 9.33% per annum over five years for pension members).

Outlook

The Board would like to thank you for entrusting your retirement savings to us. The Board would also like to thank the management team and staff for their dedication and efforts in administering the superannuation fund.

With political and economic uncertainty dominating the landscape at the moment the Board will continue to administer the superannuation fund so that it continues to meet the needs of members in a world of continuous change in investment markets, regulation and technology.

Vin Plant

Chair Diversa Trustees Board

Governance

The Trustee

Diversa Trustees Limited (the Trustee) ABN 49 006 421 638, AFSL 235153, RSE Licence Number L0000635 is the Trustee of Smartsave and is responsible for the ongoing management of the Fund. Diversa Trustees is a wholly owned subsidiary of OneVue Holdings Limited (OneVue) since 6 October 2016. The Trustee employs specialist providers to help look after the Fund and its investments, which are outlined in the 'Directory' section at the end of this report.

The Trustee Board

The Board provides leadership and vision for the organisation and monitors investment strategies and returns for each product. It ensures compliance with all legislative and regulatory requirements, to give members security and peace of mind about their investments.

Board members

As at 30 June 2017, the composition of the Board was as follows.



Vin Plant - Chairman

BBus Fin, MBA, F Fin, MAICD

Vin Plant is a Sydney based financial services specialist and the chairman of the Diversa Trustees Board. Vin was appointed to the Diversa Trustees Board on 4 May 2017. He has served as a non-executive director on the PayPal Australia Board since 2009 and has been Chairman of PayPal's Audit & Risk Committee since 2010. A former investment banker, he was a Partner at HSW Capital from 2009 to 2010 and held various senior positions at Standard Chartered Bank from 1991 to 2008. Vin is a fellow of FINSIA and a member of the Institute of Company Directors.



Karen Gibson - Director

BSc MBA GAICD

Karen Gibson was appointed to the Diversa Trustees Board on 4 May 2017 and is also a Director of OneVue. Throughout her career, Karen has demonstrated a solid understanding of the superannuation industry and developed a reputation for sound and ethical decision making. She has worked with various boards including large and small organisations, retail and industry, and government and non-government institutions.

With more than 20 years' experience in operations, strategic and operational planning, investment strategy, and change and risk management, Karen has held a variety of executive roles. She was the Chief Executive at City Super and Energy Super, and General Manager of Member Advice and Communications at LGSuper. Her achievements include the successful mergers between City Super and LGSuper, and the Suncorp and Metway superannuation funds.

Karen is a graduate member of the Australian Institute of Company Directors. She is also a member of Women in Finance, Women in Super and the Australian Institute of Management.



Murray Jones - Director

Murray has worked within the financial services industry for over 20 years. He has provided advice on corporate governance and strategic planning issues to institutions; acted as an independent expert under ASIC enforceable undertakings; chaired audit risk and compliance committees; been appointed as a responsible manager for a number of AFS Licence holders spanning listed and unlisted fund managers and financial advisory businesses.

He is currently Managing Director of Compliance & Risk Services Pty Ltd which has acted for over 150 financial institutions in establishing and supporting financial services businesses. His company has also developed a web based software solution, CRSCertus, which is used by a number of prominent financial institutions to manage their risk and compliance obligations.

Murray's expertise spans retail and wholesale funds management, securities operations, superannuation, insurance, corporate advisory and financial planning.



Vincent Parrott - Director

Vincent has over 25 years' experience in the financial services industry. He has worked in leadership roles within the institutional funds management sector for AMP, SBC (now UBS Global Asset Management), BT Funds Management and Aberdeen Asset Management.

In 2001 he co-founded boutique asset manager, Souls Funds Management where he served as Managing Director from 2001 to 2008. Throughout his career he has had experience in investment research and portfolio management, superannuation, sales and marketing, business operations, and general management.



Garry Wayling - Director

BCom (Acctg), GAICD, ACA

Garry Wayling brings more than 30 years' experience in a professional services career to the Diversa Trustees Board. Gary was appointed to the Diversa Trustees Board on 4 May 2017. He is also a Director of OneVue and is widely regarded as a specialist in business planning, initial public offerings, due diligence and Sarbanes Oxley reviews.

His industry experience is broad, encompassing large manufacturers, steelworks, major hotel chains, technology companies and IT start-ups. He has held various executive positions including Chief Financial Officer at Aston Resources Limited and Managing Director of CoalWorks Limited. Garry has also worked in external audit and advisory roles with Arthur Andersen and Ernst and Young where he was the Oceania Markets IPO Leader.

Garry is an independent Director of several companies including Eaton Vance Australia, AppDynamics Australia and Odyssey House. He is also an ex-officio member of the Board Audit Risk Committee for Mission Australia. An Associate Chartered Accountant, Garry is a Graduate of the Australian Institute of Company Directors.

Note: Andrew de Vries ceased to act as a Director on 13 January 2017. Mark Cerché ceased to act as a Director (Chairman) on 4 May 2017. Luke Barrett ceased to act as a Director (Diversa Trustees Only) on 4 May 2017.

Board committees

The Board of the Trustee is committed to strong principles of corporate governance, including continuous improvement of its performance and processes.

The following committees assist the Board, which in some cases involves engagement of external experts:

- Investment Committee
- Audit, Compliance and Risk Committee

No penalties were imposed this year on the Trustee or any responsible person under Section 38A of the Superannuation Industry (Supervision) Act 1993.

Professional Indemnity Insurance

Diversa Trustees has professional indemnity insurance to protect the Trustee, its directors and the Fund against certain losses or liabilities. The indemnity insurance cover is subject to the terms and conditions of the relevant policy and complies with the requirements of Section 912B of the Corporations Act 2001.

The Trust Deed

The governing rules of the Fund are set out in the Smartsave Trust Deed. The Board has some powers to alter the Trust Deed. A copy of the Fund's Trust Deed can be found online at www.smartsavesuper.com.au.

Compliance

Smartsave is regulated and complies with the Superannuation Industry (Supervision) Act (1993) (SIS Act). The Fund lodges a return with APRA every year and has not received a notice of non-compliance from APRA. No penalties have been imposed in respect of the Fund under the relevant superannuation legislation.

Investments

The investment profile, including the investment objective and strategy of each investment option that was available to members at 30 June 2017 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 offering is aimed at offering a broad range of investment options to allow you to structure an investment portfolio that suits your long-term investment needs and risk profile. The investment options available to Smartsave members during the financial year ending 30 June 2017 were as below.

Single sector investment options:

- Cash
- Diversified Fixed Interest
- Diversified Property
- Australian Shares
- Australian Shares - Geared*
- Australian Shares - Small Companies*
- Australian Shares - Imputation*
- Global Shares*
- Resources*

Single sector investment options invest in one asset class only. Subject to exceptions (e.g. Cash Option), single sector investment options can increase risk due to investments not being spread across asset classes.

Diversified investment options:

- Managed Stable
- Balanced
- Growth
- High Growth*

* only available for members in the employer sponsored and the personal divisions from 15 July 2016.

In addition, for those members of Smartsave Employer Super who do not make an investment choice there is a further diversified investment option, i.e. Smartsave MySuper Balanced.

Diversified investment options invest in a range of asset classes. The level of risk of each investment option varies according to the type and proportion of asset classes held in that option.

If you are invested in one or more of the diversified investment options you are letting the Investment Manager decide on the asset allocation for you. That is, the Investment Manager decides which sectors to invest in and in what proportions.

The Investment Manager typically spreads investments across a range of asset classes including shares, property, fixed interest and cash.

On the other hand, if you invest in one or more single sector investment options, you are opting to select your own asset allocation for your superannuation investment portfolio. It is up to you to change the proportions invested in each sector to diversify your portfolio and achieve your investment goal.

Finally, there are 3 closed investment options:

1. LM Mortgage Income Fund (closed 26/08/2008)
2. MacarthurCook Mortgage Fund (closed 27/10/2008)
3. Smartsave High Yield B (closed 16/07/2007)

An update to the closed investment options is provided on page [Error! Bookmark not defined.](#)

Investment Choice

Investment Choice is a personal decision and you should consider seeking professional financial planning advice when determining your risk profile and investment option selection.

Default Investment Option

Your member statement outlines your investment holdings as at 30 June 2017. If you do not select an investment option when joining Smartsave, your member account will be invested in the MySuper Balanced option.

You can change your investment option selection at any time. If you wish to switch to another investment option or mix of options with Smartsave, you can either log in to your online account to switch online, or request an Investment Switch form from Smartsave Member Services on 1300 654 720.

Your current investment selection can be viewed online or by contacting Smartsave Member Services.

For further information on member investment choice, please refer to the Smartsave Product Disclosure Statements (PDS) and the Smartsave Member Guides, which are available on the Fund's website or call Smartsave Member Services on 1300 654 720.

Derivatives policy

It is the Trustee's policy not to use derivative investments directly. Derivatives include investment products such as futures, options, swaps and warrants. They are securities whose value is derived from other securities or assets.

Some of the underlying Investment Managers may use derivatives to reduce risks in their investment products and to increase or decrease their product's exposure to particular investment sectors or markets.

Hedge funds

The Trustee has authorised, and will continue to permit exposure to, the asset class commonly referred to as 'hedge funds'. These investments, may also be known as 'absolute return' investments, and have as their overall objective to produce positive returns not defined or measured against any one benchmark. While these investments can be considered as higher risk, Smartsave's exposure is limited to products which have carefully selected fund managers to reduce some aspects of this risk.

Socially responsible investments

The Trustee has not taken into account labour standards or environmental, social, or ethical considerations in the selection of Investment Managers or the selection, retention or realisation of investments. However, underlying Investment Managers used may give consideration to these issues.

Investment options

As at 30 June 2017

	Smartsave Cash	Smartsave Diversified Fixed Interest
 <p>WHO IS THIS INVESTMENT OPTION DESIGNED FOR?</p>	<p>This investment option is best suited to investors who seek an investment that provides stable income and preservation of capital through investment in short dated securities that provide a high level of liquidity and security.</p>	<p>This investment option is best suited to investors who seek an investment that provides security and income while maintaining and potentially increasing the value of capital over the medium term through exposure to Australian and Global fixed interest assets.</p>
 <p>INVESTMENT OBJECTIVE</p>	<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>	<p>To outperform both the Bloomberg AusBond Govt 0+ Yr 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.</p>
 <p>INVESTMENT STRATEGY</p>	<p>The option will invest in managed cash funds and mortgage funds with investment grade ratings as defined by the major credit rating agencies. 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>	<p>To invest primarily in a range of managed funds which hold government and non-government fixed interest securities issued in Australia. These will be augmented with exposure to global fixed interest managed funds, but only where the currency risk is removed by fully hedging back into Australian Dollars.</p> <p>The investment option adopts an index-enhanced approach, with a core index holding augmented by a range of 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.</p>
<p>MINIMUM SUGGESTED INVESTMENT TIME FRAME</p>	3 to 6 months	3 years
<p>STANDARD RISK MEASURE[#]</p>	Very Low	Low
 <p>INVESTMENT OPTION ASSET ALLOCATION RANGE</p>	<p>Cash 100%</p>	<p>Cash 0 - 30%</p> <p>Diversified fixed interest 70 - 100%</p>
 <p>DEFENSIVE VS GROWTH ASSET ALLOCATION RANGE</p>	<p>Defensive 100%</p> <p>Growth 0%</p>	<p>Defensive 100%</p> <p>Growth 0%</p>

	Smartsave Managed Stable	Smartsave Balanced
 <p>WHO IS THIS INVESTMENT OPTION DESIGNED FOR?</p>	<p>This investment option is best suited to investors who seek an investment that provides security and income while maintaining and potentially increasing the value of capital over the medium to long-term through exposure across a range of asset classes.</p>	<p>This investment option is best suited to investors who seek an investment that invests in a balanced mix.</p> <p>Mix of growth and defensive assets including Australian and Global shares, property, fixed interest and cash. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this investment option for the suggested minimum timeframe.</p>
 <p>INVESTMENT OBJECTIVE</p>	<p>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.</p>	<p>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.</p>
 <p>INVESTMENT STRATEGY</p>	<p>To invest mainly in a diversified range of managed funds with investments in fixed interest securities combined with a modest exposure to growth assets such as Australian and international shares.</p> <p>Asset allocations will be actively managed within ranges around the long-term strategic asset allocations shown below, in accordance with the Investment Manager's assessment of global economic and market value conditions relative to the level of assumed risks.</p>	<p>To invest in a diversified range of managed funds with investments in fixed interest securities combined with an equal exposure to growth assets such as Australian and international shares.</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>
<p>MINIMUM SUGGESTED INVESTMENT TIME FRAME</p>	3 years	5 years
<p>STANDARD RISK MEASURE[#]</p>	Low to Medium	Medium
 <p>INVESTMENT OPTION ASSET ALLOCATION RANGE</p>	<p>Cash 5 - 35%</p> <p>Australian Equities 0 - 25%</p> <p>International equities 0 - 20%</p> <p>Diversified fixed interest 40 - 80%</p> <p>Diversified property 0 - 20%</p>	<p>Cash 0 - 20%</p> <p>Australian Equities 10 - 40%</p> <p>International equities 10 - 40%</p> <p>Diversified fixed interest 20 - 65%</p> <p>Diversified property 0 - 20%</p>
 <p>DEFENSIVE VS GROWTH ASSET ALLOCATION RANGE</p>	<p>Defensive 70%</p> <p>Growth 30%</p>	<p>Defensive 50%</p> <p>Growth 50%</p>

	Smartsave Growth	Smartsave High Growth
 WHO IS THIS INVESTMENT OPTION DESIGNED FOR?	<p>This investment option is suitable for investors seeking medium to higher returns through investing in a diversified range of asset classes with a bias toward growth assets delivering capital growth and some yield.</p>	<p>This investment option is suitable for investors seeking higher long-term returns through investing in a diversified range of asset classes with a strong bias toward growth assets delivering capital growth with some yield.</p>
 INVESTMENT OBJECTIVE	<p>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.</p>	<p>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.</p>
 INVESTMENT STRATEGY	<p>To invest in a diversified range of managed funds with investments in growth assets such as Australian and international shares combined with a modest exposure to fixed interest securities.</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>	<p>To invest in a diversified range of managed funds with investments in growth assets such as Australian and International Shares.</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>
MINIMUM SUGGESTED INVESTMENT TIME FRAME	7 years	10 years
STANDARD RISK MEASURE[#]	Medium High	High
 INVESTMENT OPTION ASSET ALLOCATION RANGE	<p>Cash 0 - 15%</p> <p>Australian Equities 15 - 45%</p> <p>International equities 15 - 45%</p> <p>Diversified fixed interest 10 - 45%</p> <p>Diversified property 0 - 25%</p>	<p>Cash 0 - 10%</p> <p>Australian Equities 30 - 60%</p> <p>International equities 30 - 60%</p> <p>Diversified fixed interest 0 - 25%</p> <p>Diversified property 0 - 20%</p>
 DEFENSIVE VS GROWTH ASSET ALLOCATION RANGE	<p>Defensive 25%</p> <p>Growth 75%</p>	<p>Defensive 0%</p> <p>Growth 100%</p>

	Smartsave Australian Shares - Imputation	Smartsave Diversified Property
 WHO IS THIS INVESTMENT OPTION DESIGNED FOR?	<p>This investment option is suitable for investors seeking higher long-term returns through investing in the Australian share market with a strong bias toward income producing shares.</p>	<p>This investment option is suitable for investors seeking higher long-term returns through investing in a broad exposure to the Australian and Global international listed property markets.</p>
 INVESTMENT OBJECTIVE	<p>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.</p>	<p>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.</p>
 INVESTMENT STRATEGY	<p>To invest in a diversified range of managed funds with investments in a portfolio of 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.</p> <p>The option may include equity linked or hybrid securities which offer the opportunity to deliver strong levels of imputed income return for investors.</p>	<p>An enhanced index approach with the majority of investments made with fund managers 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.</p>
MINIMUM SUGGESTED INVESTMENT TIME FRAME	10 years	5 years
STANDARD RISK MEASURE#	High	Very High
 INVESTMENT OPTION ASSET ALLOCATION RANGE	<p>Cash 0 - 15%</p> <p>Australian Equities 15 - 45%</p> <p>International equities 15 - 45%</p> <p>Diversified fixed interest 10 - 45%</p> <p>Diversified property 0 - 25%</p>	<p>Cash 0 - 30%</p> <p>Australian Equities 70 - 100%</p>
 DEFENSIVE VS GROWTH ASSET ALLOCATION RANGE	<p>Defensive 5%</p> <p>Growth 95%</p>	<p>Defensive 5%</p> <p>Growth 95%</p>

	Smartsave Australian Shares	Smartsave Global Shares
 WHO IS THIS INVESTMENT OPTION DESIGNED FOR?	<p>This investment option is suitable for investors seeking higher long-term returns through exposure to the Australian share market and who are prepared to accept higher variability of returns.</p>	<p>This investment option is suitable for investors seeking exposure to global shares and who are prepared to accept higher variability of returns.</p>
 INVESTMENT OBJECTIVE	<p>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.</p>	<p>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.</p>
 INVESTMENT STRATEGY	<p>An enhanced index approach, with investments primarily made directly in a diversified selection of fund managers invested in Australian listed securities that make up the S&P/ ASX 200 index.</p>	<p>An enhanced index approach, investing through managed funds, into a diversified portfolio of international shares to gain broad exposure to world markets.</p>
MINIMUM SUGGESTED INVESTMENT TIME FRAME	10 years	10 years
STANDARD RISK MEASURE[#]	Very High	Very High
 INVESTMENT OPTION ASSET ALLOCATION RANGE	<p>Cash 0 - 30%</p> <p>Australian Equities 70 - 100%</p>	<p>Cash 0 - 30%</p> <p>International equities 70 - 100%</p>
 DEFENSIVE VS GROWTH ASSET ALLOCATION RANGE	<p>Defensive 5%</p> <p>Growth 95%</p>	<p>Defensive 5%</p> <p>Growth 95%</p>

	Smartsave Resources	Smartsave Australian Shares - Small Companies
 <p>WHO IS THIS INVESTMENT OPTION DESIGNED FOR?</p>	<p>This investment option is suitable for investors seeking exposure to the local and global resources markets and who are prepared to accept higher variability of returns.</p>	<p>This investment option is suitable for investors seeking higher long-term returns and targeted exposure to the Australian small cap share market with a strong bias towards growth assets and who are prepared to accept higher variability of returns.</p>
 <p>INVESTMENT OBJECTIVE</p>	<p>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.</p>	<p>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.</p>
 <p>INVESTMENT STRATEGY</p>	<p>To invest in a diversified portfolio of managed funds with investments in global and listed Australian resource sector stocks that are expected to deliver superior capital growth relative to the sector and wider market.</p> <p>The Investment Manager may also include exposure to fund managers who specialise in the resource sector to gain exposure to specific sectors.</p>	<p>To invest either through selected fund 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.</p> <p>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.</p>
<p>MINIMUM SUGGESTED INVESTMENT TIME FRAME</p>	<p>10 years</p>	<p>10 years</p>
<p>STANDARD RISK MEASURE#</p>	<p>Very High</p>	<p>Very High</p>
 <p>INVESTMENT OPTION ASSET ALLOCATION RANGE</p>	<p>Cash 0 - 30%</p> <p>Australian Equities 25 - 75%</p> <p>International equities 25 - 75%</p>	<p>Cash 0 - 30%</p> <p>Australian Equities 70 - 100%</p>
 <p>DEFENSIVE VS GROWTH ASSET ALLOCATION RANGE</p>	<p>Defensive 5%</p> <p>Growth 95%</p>	<p>Defensive 5%</p> <p>Growth 95%</p>

	Smartsave Australian Shares - Geared	Smartsave MySuper Balanced
 <p>WHO IS THIS INVESTMENT OPTION DESIGNED FOR?</p>	<p>This investment option is geared and is suitable for investors seeking a broad exposure to the Australian share market and who are prepared to accept the potential for very high variability of returns.</p>	<p>This investment option is best suited to investors who seek an investment that invests in a balanced mix of growth and defensive assets including Australian and Global shares, property, fixed interest and cash. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this investment option for the suggested minimum timeframe.</p>
 <p>INVESTMENT OBJECTIVE</p>	<p>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.</p>	<p>To perform in line with both the benchmark asset allocation weighted index portfolio and the relevant Morningstar survey median of Balanced funds 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.</p>
 <p>INVESTMENT STRATEGY</p>	<p>An enhanced index approach, with investments in a diversified selection of fund managers with investments in Australian listed securities that make up the S&P/ASX 200 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>	<p>To invest in a diversified range of fund managers with investments in Fixed Interest Securities combined with an exposure to growth assets such as Australian and International Shares and Property.</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>
<p>MINIMUM SUGGESTED INVESTMENT TIME FRAME</p>	10 years	5 years
<p>STANDARD RISK MEASURE[#]</p>	Very High	Medium
 <p>INVESTMENT OPTION ASSET ALLOCATION RANGE</p>	<p>Cash 0 - 30%</p> <p>Australian Equities 70 - 100%</p>	<p>Cash 0 - 13%</p> <p>Australian Equities 16 - 34%</p> <p>International equities 14 - 35%</p> <p>Diversified fixed interest 33 - 70%</p> <p>Diversified property 0 - 11%</p>
 <p>DEFENSIVE VS GROWTH ASSET ALLOCATION RANGE</p>	<p>Defensive 0%</p> <p>Growth 100%</p>	<p>Defensive 50%</p> <p>Growth 50%</p>

Standard risk measure guidance: 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 a customer may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Customers should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s). Past performance is not an indicator of future investment performance.

Investment allocation

Managed investment options as at 30 June 2017

	Australian Cash	Australian Equities	International Equities	Property and Infrastructure	Diversified Fixed Interest
Smartsave Super Options					
Cash	100%	0.00%	0.00%	0.00%	0.00%
Managed Stable	17.36%	13.24%	12.70%	8.48%	48.21%
Balanced	2.77%	25.60%	23.97%	9.55%	38.10%
MySuper Balanced	3.65%	24.93%	25.39%	7.96%	38.07%
Growth	1.06%	33.74%	34.33%	13.75%	17.11%
High Growth	1.53%	43.88%	45.29%	9.30%	0.00%
Diversified Fixed Interest	1.90%	0.00%	0.00%	0.00%	98.10%
Diversified Property	3.77%	0.00%	0.00%	96.23%	0.00%
Australian Shares	2.12%	97.88%	0.00%	0.00%	0.00%
Australian Shares-Geared	2.80%	97.20%	0.00%	0.00%	0.00%
Australian Shares-Imputation	9.35%	90.65%	0.00%	0.00%	0.00%
Australian Shares - Small Companies	10.59%	89.41%	0.00%	0.00%	0.00%
Global Shares	2.93%	0.00%	97.07%	0.00%	0.00%
Resources	1.22%	44.16%	54.62%	0.00%	0.00%
Smartsave Pension Options					
Cash	100%	0.00%	0.00%	0.00%	0.00%
Managed Stable	1.06%	17.46%	16.59%	11.65%	53.24%
Balanced	3.15%	25.27%	25.05%	9.26%	37.27%
Growth	8.48%	32.59%	32.82%	12.90%	13.21%
Diversified Fixed Interest	6.28%	0.00%	0.00%	0.00%	93.72%
Diversified Property	5.67%	0.00%	0.00%	94.33%	0.00%
Australian Shares	2.02%	97.98%	0.00%	0.00%	0.00%

Investment performance

For fair comparison purposes, returns shown are net of all investment fees, administration fees and taxes. Past performance should not be relied upon as an indication of future returns. Actual returns will be determined by the investment strategy adopted and prevailing market conditions.

Smartsave Super returns (%)*

Investment option	1 year return	3 year return	5 year return	Return since inception
Cash**	0.38	0.86	NA	0.83**
Diversified fixed interest**	-1.32	1.64	NA	1.87**
Managed Stable	1.59	3.27	4.08	3.42
Balanced	4.31	4.52	6.17	3.98
Growth	6.32	5.57	8.45	4.14
High Growth	9.59	6.58	10.06	4.07
Australian Shares - Imputation**	12.0	3.22	NA	5.82**
Diversified Property**	-4.31	9.25	NA	9.61**
Australian Shares	9.95	3.79	8.06	4.54
Global Shares	11.63	9.29	13.32	4.37
Resources**	12.09	-6.58	NA	-1.52**
Australian Shares - Small Companies**	9.27	5.79	NA	6.81**
Australian Shares - Geared**	15.76	5.63	NA	8.81**
MySuper Balance**	5.0	5.08	NA	5.19**

Smartsave Super Pension returns (%)*

Investment option	1 year return	3 year return	5 year return	Return since inception
Cash**	0.33	0.85	NA	0.86**
Diversified fixed interest**	-1.61	1.91	NA	2.13**
Managed Stable**	2.10	3.9	4.90	3.91**
Balanced	4.88	5.23	7.15	5.07
Growth	7.96	6.52	9.33	4.10
Diversified Property**	-4.42	9.85	NA	9.39**
Australian Shares	12.85	5.59	9.5	2.51

* Returns are as at 30 June 2017 and are net of all fees, administration fees and taxes.

** The Fund and the investment options opened from 1 July 2013, and for MySuper Balanced from 1 January 2014. Subsequently 3, 5 and 10 year compound returns are unable to be determined. Neither past performance nor volatility is a reliable indicator of what may happen in the future. Neither capital nor returns are guaranteed.

Investment managers

The underlying Investment Managers of Smartsave

- Bennelong Funds Management Ltd
- Betashares Capital Limited
- Colonial First State Investments Limited
- Dimensional Fund Advisors Australia Limited
- Fidelity International Limited
- Hyperion Asset Management Limited
- Independent Franchise Partners LLP
- Magellan Financial Group
- Smallco Investment Manager
- State Street Australia Limited
- Vanguard Investments Australia
- Zurich Investment Management Limited

Concentration of assets

As at 30 June 2017, the following underlying investments exceeded 5% of the total assets of Smartsave:

- State Street Australia Limited (85%)

The Trustee acknowledges that, as a result of member discretion, individual accounts may have a greater than 5% exposure to a single investment. Further, the Trustee acknowledges that when considered in aggregate (across all options in which the Trustee holds assets on behalf of members of the Fund), the Fund may be construed as having a total exposure to a single investment manager and this exposure may exceed 5% of the total value of the Fund. Updated information about the allocation of Fund asset classes and investment managers is available on request from Smartsave. The underlying investment managers used by Smartsave may change at the discretion of the Trustee without notification to you as considered necessary or appropriate to achieve Smartsave's investment objectives.

Other considerations

Labour standards, environmental, social or ethical considerations are not taken into account in making investment decisions or selecting underlying investment managers or investment funds.



What's new in Super



1 July 2017 brought some of the most significant changes to superannuation legislation in a decade. The following information is general information only and does not take into consideration your personal needs or objectives and is provided to assist you to understand how these changes pre and post 1 July 2017 may affect you and how to respond to the changes, by providing factsheets, online newsletters and making courtesy calls to members. The factsheets including 'Pre 30 June and 1 July Super Changes' can be found on our website at www.smartsavesuper.com.au.

2017 highlights of the key changes include:



Introduction of a total superannuation balance from 1 July 2017

The 'total superannuation balance' is being introduced as part of a new test to determine an individual's non-concessional contributions cap and bring forward period. Your total will essentially be the total value of your accumulation and retirement phase interests including rollover amounts across all of your superannuation providers calculated as at 30 June of each financial year commencing 30 June 2017. It excludes any contributions made with the proceeds of a personal injury compensation payment.

Your total super balance is relevant when working out your eligibility for the:

- unused concessional contributions cap carry-forward
- non-concessional contributions cap and the two or three year bring-forward period
- government co-contribution
- tax offset for spouse contributions.

Your total super balance cap will be indexed annually. Where your super balance is greater than the general transfer balance cap of \$1,600,000, you may be in excess of the non-concessional contributions cap after 1 July 2017. Also refer to the 'Pre 30 June and 1 July Super Changes' fact sheet which shows the calculation as well as case studies.



Changes to the concessional and non-concessional contribution caps

BEFORE 1 JULY 2017

Less than 49¹ years old

\$30,000

49 or older¹

\$35,000



FROM 1 JULY 2017

\$25,000²

¹ As at the last day of the financial year 30 June 2017.

² The new cap will be indexed in line with the average weekly ordinary time earnings (AWOTE).



Improved personal superannuation contribution deductions up to the concessional contribution cap

From 1 July 2017, you can claim a tax deduction for your personal voluntary contributions to a complying superannuation fund up to the concessional contribution cap. Certain eligibility rules apply, for example, meeting the work test. Further guidance can be found at www.ato.gov.au.

Previously, an individual (mainly those who were self-employed) could claim a deduction for personal superannuation contributions where they met certain conditions. One of the conditions was that less than 10 per cent of the income was from salary and wages. This was known as the 10 per cent maximum earnings condition.



The non-concessional (after-tax) contribution caps decrease from 1 July 2017³

BEFORE 1 JULY 2017

FROM JULY 2017

Annual (1 year)	\$180,000	▶	\$100,000 ⁵
3 year bring forward ⁴	\$540,000	▶	\$300,000 ⁶



The bring-forward arrangement

If you are under 65 years, you may make non-concessional contributions of up to three times the annual non-concessional contributions cap in a single year by bringing forward your non-concessional contributions cap for a two or three-year period. If eligible, you automatically gain access to future-year caps, and this is known as the bring-forward arrangement.

Going forward into the 2017-18 financial year, to access the bring-forward arrangement:



you must be under age 65 years of age for at least one day during the triggering year (the first year)



your total superannuation balance must be less than \$1.5 million as at 30 June 2017



the remaining cap amount for years two and three of a 'bring' forward' arrangement will be reduced to nil for a financial year if your total super balance is greater than or equal to the general transfer cap of \$1.6 million as at 30 June of the previous financial year.

³ The new cap will be indexed in line with AWOTE.

⁴ Only available if your total superannuation balance is less than \$1.6m.

⁵ Available if you are aged 65 or less.

⁶ This maximum amount will decrease if your total superannuation balance is over \$1.4m.

How the bring-forward arrangement works

Total super balance at 30 June 2017	Max. non-concessional contributions cap for first year available	Bring-forward period
Less than \$1.4m	\$300,000	3 years
\$1.4m to less than \$1.5m	\$200,000	2 years
\$1.5m to less than \$1.6m	\$100,000	No bring-forward period, general concessional contribution cap applies
\$1.6m	Nil	N/A

A transitional period applies

If you have triggered the bring-forward cap by contributing a non-concessional contribution in excess of \$180,000 in either 2015-16 or 2016-17 but have not fully used your bring-forward amount before 1 July 2017, transitional arrangements will apply. This means that the maximum amount of bring-forward available to you will be reflected in the reduced annual contribution caps available to you.

The year the bring-forward period started	Maximum non-concessional bring-forward amount available in 2017-18
2015-16	\$460,000 (\$180,000 annual cap x 2 years, + \$100,000 x 1 year)
2016-17	\$380,000 (\$180,000 annual cap x 1 year, + \$100,000 x 2 years)
2017-18	\$300,000 (\$100,000 annual cap x 3 years)

How the transitional arrangements work



Where the non-concessional contribution bring-forward was triggered in 2015-16, the transitional cap will be \$460,000 (instead of \$540,000).

If the bring-forward was triggered in 2016-17, the transitional cap will be \$380,000.

Obtaining financial planning advice may assist you to consider your options.



Non-concessional contribution restrictions

Members with a total super balance of \$1,400,000 or more on 30 June 2017 will have restrictions on the amount that can be contributed to super. This includes:

- a reduced non-concessional contributions cap
- a shorter bring forward period
- the inability to make any contributions if your total super balance is over \$1,600,000.



Introduction of \$1.6 million transfer balance cap

The transfer balance cap introduces a new limit on the amount of your accumulated super benefits that you can transfer or hold in retirement phase to support an income stream over the course of your lifetime. From 1 July 2017, the transfer balance cap will start at \$1.6 million, and will be indexed in line with the consumer price index (CPI). However, the indexation will be based on the amount remaining of available cap space.

The transfer balance cap does not include transition to retirement (TRR) accounts, and there is no limit on the amount you can have in your accumulation super accounts.

The transfer balance cap works in a similar way to a bank account. Amounts transferred to the retirement phase give rise to a credit (an increase), and certain transfers out of the retirement phase give rise to a debit (a decrease) in your transfer balance account. You will be able to make multiple transfers into retirement phase accounts, as long as you have available cap space. After 1 July 2017, if your pension account(s) grow over time (through investment earnings to more than \$1.6 million, you will not exceed your cap. However, if your pension accounts go down over time, you cannot 'top up', if you have already used your cap.

Amounts in excess of the transfer balance cap need to be moved from the pension prior to 1 July 2017, however, the government has allowed transitional arrangements to minimise uncertainty up until 31 December 2017 between \$1.6 and \$1.7 million. Should the transfer balance cap still be exceeded, the excess has to be removed from the retirement phase pensions, and tax paid on notional earnings on the excess amount.

There are different tax rules for those who have certain defined benefit or Term allocated income pensions, where you cannot transfer or remove excess amounts from the pension. Further information and guidance can be found at ato.gov.au, and/or consult a financial adviser regarding your situation.

What counts towards your transfer balance cap?

- The combined value of all superannuation pension accounts held in retirement phase
- The value of other pensions or annuities must also be counted towards your cap, for example:
 - a superannuation pension you start to receive from a deceased spouse's superannuation account
 - a pension income you receive from a former spouse's superannuation pension as part of a family court settlement.

The new rules from 1 July 2017

If you retire and commence a new income stream from your superannuation after 1 July 2017, your transfer balance account begins on the day you transfer superannuation assets in and commence an income stream, remembering the transfer balance cap is \$1.6 million cap.

Where you already have an account based pension and are receiving an income stream, you will need to keep track of your transfer balance account to ensure you do not exceed the transfer balance cap.

Where you are under the cap, you may be able to transfer more in by, for example, commencing a new pension.

Options to reduce the value of your pension accounts to \$1.6m include:

- commuting the excess amount including any notional earnings and transfer it back to your accumulation account
- withdrawing the excess amount including any notional earnings as a lump sum
- making additional pension payments to reduce your pension balance to below \$1.6m.

Although there is a limit on the amount of assets you can transfer into a tax free retirement phase (pension) account, this does not affect the amount you can have in the accumulation of taxable income phase of a super fund. Any amount can be held in super accumulation (taxable) phase, and/or be taken as lump sum payments.

Consider obtaining financial advice to assess your closeness to the total super balance and transfer balance cap, and to assist you to determine your ability to make further non-concessional contributions.





Change to the taxation arrangements for transition to retirement income streams

Transition to retirement income streams (TRIS) were available to assist individuals to gradually move into retirement by accessing a limited amount of super. Prior to July 2017, where a member has commenced a TRIS, the superannuation fund receives tax free earnings on the superannuation assets that support it.

From 1 July 2017, the government removed the tax exempt status of earnings from assets that support a TRIS. These earnings are taxed at 15 per cent, regardless of the date the TRIS commenced, the same as the members' super accumulation account.

Capital gains tax relief is available where assets need to be moved from a non-taxed to a taxed environment to meet this requirement. A TRIS is not being counted towards an individual's transfer balance cap for the retirement phase. (Also refer to the section 'introduction of \$1.6 million transfer balance cap'.)



Increase to spouse contribution tax offset threshold

A tax offset of up to \$540 may be available if you make a non-concessional contribution for your spouse.

From 1 July 2017, your spouse's eligible income threshold increased, allowing more members to claim this tax offset.

	Total income of your spouse	Tax offset available to you
Up to 30 June 2017	Up to \$10,800	\$540
	\$10,800 to \$13,800	Up to \$540
	Over \$13,800	Nil
From 1 July 2017	Up to \$37,000	\$540
	\$37,000 to \$40,000	Up to \$540
	Over \$40,000	Nil

Name change: 'low income superannuation tax offset' (LISTO) replaces 'low income superannuation contribution' (LISC).

The current LISC will be replaced by LISTO. There are no changes to the eligibilities or the operation of the scheme. To be eligible, your adjusted taxable income must be less than \$37,000. The amount payable will be the lesser of 15 per cent of eligible contributions and \$500. If you are a low income earner and have contributions paid into your superannuation fund, you do not need to do anything, your LISTO will be paid into your superannuation fund when you lodge a tax return.



Co-contribution

Co-contribution thresholds have been increased. The full co-contribution rate now applies to incomes up to \$36,813 and the partial co-contribution to incomes up to \$51,813. The government co-contribution is made automatically as long as the member has lodged a tax return for the financial year in which the voluntary contribution is made.



Reduction of the income threshold for additional contribution tax (Division 293 Tax)

For many higher income earners, an additional 15 per cent tax applies to certain concessional (before-tax) contributions, if your assessable income exceeds the legislative threshold. This threshold has been reduced from the current \$300,000 to \$250,000 from 1 July 2017. Your assessable income includes your total earnings, including pre-tax super contributions (employer and salary-sacrifice contributions) and any personal deductible contributions.



Great news - the temporary budget repair levy ceases

The two per cent temporary budget repair levy introduced in 2014 ceased to apply from 1 July 2017.

This means:

- if your taxable income is over \$180,000 your marginal tax rate decreased from 47 per cent to 45 per cent.
- if you do not quote your tax file number, the tax on your taxable component of the superannuation benefit decreased from 47 per cent to 45 per cent
- the excess non-concessional tax lowered from 47 per cent to 45 per cent
- other tax implications please refer to ato.gov.au.



Removal of death benefit anti-detriment payments

The anti-detriment payment represents the refund of the 15 per cent contribution tax paid by the deceased member on super contributions over their working lifetime, and may be paid to an eligible dependant with a lump sum death benefit payment. The anti-detriment provision has been abolished by the government from 1 July 2017. Anti-detriment payments are now only payable in respect of certain superannuation death benefit payments where the member died before 1 July 2017 and the payment is made by 30 June 2019.



Preservation age and age pension age

Preservation age is the Government specified age at which you can gain access to your superannuation benefit once you are permanently retired from employment. From 1 July 2017, the preservation age increased from 56 to 57 and affects members born between 1 July 1961 and 30 June 1962.

The qualifying age for the Government age pension will increase from 65 to 65.5 years from 1 July 2017. This means unless you meet other Government specified conditions of release, you need to be at least 57 years old to access your superannuation benefit. Unless you meet other qualifications, you also have to wait until 65.5 years to receive the age pension providing you are eligible.

Important information

ABRIDGED FINANCIAL INFORMATION

Smartsave 'Members Choice' Superannuation Master Plan and Smartsave Pension (Smartsave)

Statement of financial position (at 30 June 2017)

	2017 \$'000	2017 \$'000
Opening net assets as at 1 July 2016	196,069	204,057
Increase (decrease)	(4,441)	7,988
Closing net assets	191,628	196,069

Statement of Member Movements (at 30 June 2017)

	2017 \$'000	2017 \$'000
Opening member movement as at 1 July 2016	193,272	201,770
Increase (decrease)	(2,572)	8,497
Closing net assets	190,700	193,273

The audited Fund financial accounts and audit report will be available to members from 31 January 2018 on www.smartsave.com.au.

Reserves

The Trustee maintains the following reserves in the Plan for the benefit of members. Reserves are held to meet licence conditions, facilitate administration efficiency and are invested for the benefit of members

Operational Risk Financial Requirement (ORFR)

Trustees of super funds are required to establish and maintain an Operational Risk Financial Reserve (ORFR) which complies with prudential requirements to ensure that the Trustee has sufficient financial resources to provide for member and/or beneficiary losses arising from an operational risk event such as incorrect benefit

payments due to human or system error, unit pricing errors and loss of data.

An operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The ORFR may be drawn upon to assist in compensating members of the Fund in the event of an operational risk having materialised. The Trustee has determined that the target balance for this reserve is 0.25% of the Fund's Net Asset Value. The Fund met its target in 2016.

Expense reserve

The Trustee maintains an expense reserve (ER) for costs not related to the administration of the fund. The expense reserve complies with prudential requirements and is utilised for the payment of fund fees, costs, tax and levies. Please refer to the current PDS and Guides for more information.

The Expense Reserve is a charge made to each member's account (0.2% for the Financial Year 2017) to allow for the payment of Fund expenses as and when they arise. The Expense Reserve policy may change in future years.

Smartsave's reserves over the past 3 years are shown in Table A below.

The Fund's reserves are invested in Cash.

Reserves (at 30 June 2017)

	Expense recovery	ORFR
2016/17	\$386	\$540
2015/16	\$2,259	\$537
2014/15	-\$1,758	\$528

Allocating net earnings to members' accounts

Your account balance is equal to the amount of units held multiplied by the applicable unit price(s). The value of each unit held and the unit price for each investment option changes with the value of the underlying assets of the investment option.

The unit pricing process

1. We calculate the value of the underlying assets of each Pooled Investment option once every day.
2. The value of the underlying assets is divided by the number of units on issue for that investment option.
3. This is the unit price that will be applied to your transaction request.

Unclaimed money

Superannuation legislation requires the Trustee of the fund to transfer information and superannuation benefits to the Australian Taxation Office (ATO) when member benefits are classified as Unclaimed Super. There are two ATO reporting periods each year (by 31 October for the 30 June six month period, and by 30 April for the 31 December six month period).

Set out below is an outline of when money may be classified as unclaimed superannuation – more information is available from the ATO at ato.gov.au.

1. Age 65 – your account has been inactive for two years or more, and we have not been able to make contact with you for five years.
2. Deceased member – the trustee is unable (after reasonable endeavour) to locate a beneficiary to pay your benefit to.
3. Temporary residents – temporary residents permanently leaving Australia have up to six months to claim their super and if not claimed the amount will be transferred to the ATO.
4. Former temporary resident member and you have not claimed your benefit after six months from your visa expiry or cancellation date and you are not Australian or New Zealand citizen.
5. Small and lost member – when your balance is less than \$6,000 (small lost member account). and you are considered as:
 - uncontactable – two pieces of mail sent to you have been returned undelivered, no contributions or rollovers have been received within the last 12 months, and the fund is satisfied that it will never be possible to pay an amount to the member (insoluble lost member account)
 - inactive member (no rollovers or contributions received from you in the last five years), and there has been no positive act from you, such as contacting the fund, advising that you wish to stay with the fund
 - to ensure your super member benefits are not transferred to the ATO, contact the Fund and advise of any change in your personal contact details by phoning 1300 654 720 or emailing smartsave@diversa.com.au.

Member statements

Members can elect to receive their annual member's statements by email or on member Online. Annual statements are distributed after the end of the financial year. Additionally, product updates and personalised communications are also published to you online, or emailed where an email address is held.

Superannuation surcharge tax

While the superannuation surcharge was abolished with effect from 1 July 2005, the ATO may still issue assessments in relation to previous years. Any amounts deducted by the Fund in relation to the superannuation

surcharge tax payable will be reflected in the transaction section of your annual member statement.

Eligible rollover fund

Subject to any obligation to pay lost member benefits to the ATO, in situations where your member benefit is classified as lost super monies, there are circumstances in which the Trustee would pay a member benefit to an eligible rollover fund (ERF). An ERF receives and invests the entitlements of superannuation fund members in certain circumstances. The Trustee may transfer your superannuation benefit to the Plan's ERF if you become:

Eligible rollover fund

Subject to any obligation to pay lost member benefits to the ATO, in situations where your member benefit is classified as lost super monies, there are circumstances in which the Trustee would pay a member benefit to an eligible rollover fund (ERF). An ERF receives and invests the entitlements of superannuation fund members in certain circumstances. The Trustee may transfer your superannuation benefit to the Plan's ERF if you become:

- an inactive member (that is, you joined the Plan more than two years ago, but in the last two years there have been no contributions or rollovers credited to your account)
- a lost member (that is, two items of written communication from the Plan have been sent to your last known address and have been returned unclaimed)

Being transferred to an ERF may affect your benefit because:

- you will cease to be a member of the Plan
- any insurance cover you had with the Plan will cease
- you will become a member of SMERF and be subject to its governing rules.

The ERF currently selected by the Trustee is:

Super Money Eligible Rollover Fund (SMERF)

Phone 1800 114 380
Write to PO Box 1282, Albury NSW 2640
Website www.smerf.com.au

Complaints

The Trustee has set up a formal procedure for dealing with complex enquiries and complaints about Smartsave or your Smartsave account, including insurance. You can make an initial enquiry by phoning Smartsave Member Services, or you can formally register your complaint by email or by writing to the Complaints Officer: A summary of the enquiries and complaints process will be provided with an acknowledgement at the time of your enquiry or complaint.

Phone 1300 654 720

Email smartsave@diversa.com.au

Write to Complaints Officer
Smartsave
PO Box 1282
Albury NSW 2640

We aim to resolve all complex enquiries and complaints quickly and fairly. If you are not satisfied with the response from us, or we have not responded within 90 days of your enquiry or complaint, you may refer your complaint to the Superannuation Complaints Tribunal (SCT),

The Superannuation Complaints Tribunal (SCT) is an independent body established by the Commonwealth Government to review trustee decisions relating to members. Strict time limits apply for lodging certain complaints with the SCT, otherwise the SCT may not be able to deal with your complaint. To find out if the SCT can handle your complaint and determine the type of information you need to provide, SCT contact details are as follows:

Phone 1300 884 114

Email info@sct.gov.au

Write to Superannuation Complaints Tribunal
Locked Bag 3060
GPO Melbourne VIC 3001

Website sct.gov.au

Access to the SCT is free of charge.

You can also find out more about Smartsave's complaint Charter on smartsave.com.au.

Directory

Obtaining further information

Phone: 1300 654 720

Email: smartsave@diversa.com.au

Website: smartsave.com.au

Mail: PO Box 1282 Albury NSW 2640

Trustee

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PO Box 1282

Albury NSW 2640

Promoter

Group Insurance & Super Concepts Pty Ltd (GIS)

ABN 51 070 756 740