



## FUTURE SUPER FUND

**Trustee (Diversa Trustees Limited):**

ABN: 49 006 421 638

AFSL: 235153

RSEL Number: L0000635

**Address:**

Level 20, 357 Collins Street

Melbourne VIC 3000

**Future Super Fund:**

ABN: 45 960 194 277

USI: 45 960 194 277 010

Fund Registration Number: R1072914

**Address:**

GPO Box 1858

Sydney NSW 2001

<b>ANNUAL REPORT</b>	<b>For the year ended 30 June 2017</b>
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**We are pleased to present our Annual Report for the Future Super Fund (“Future Super” or the “Fund”).**

Future Super (Registration Number: R1072914) was established as a stand-alone fund on 24 June 2017. Prior to this the fund was a sub-plan of the Grosvenor Pirie Master Superannuation Fund – Series 2 (ABN 32 367 272 075, Registration Number R100204) since 1 September 2014.

**We hope you find the Annual Report interesting and informative. If you have any comments or questions, please contact the Future Super on 1300 658 422 or GPO Box 1858, Sydney, NSW 2001 or visit [www.myfuturesuper.com.au](http://www.myfuturesuper.com.au).**

This Annual Report is issued by the trustee of the Fund, Diversa Trustees Limited (‘Trustee’). Neither the Trustee, any underlying investment manager nor any other service provider to the Fund guarantee your account or the investment performance of the Fund, specific investments or the repayment of capital. Investments in the Fund are subject to economic

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conditions and investment risk including loss of income and capital invested. The information is of a general nature only and has been prepared without taking into account your investment objectives, financial situation and needs. Before making any investment or other decisions in relation to the Fund you should consider obtaining professional financial advice from a licensed or authorised financial adviser.

Whilst all reasonable care has been taken in the preparation of this report, the Trustee reserves its right to correct any errors or omissions.

**This Annual Report should be read in conjunction with the annual member statement recently provided to you, which shows your member entitlement in the Fund as at 30 June 2017. If you would like a hard copy of this Annual Report sent to you free of charge, please contact Future Super on 1300 658 422.**

The information in this Annual Report is intended to provide an understanding of the management, financial condition and investment performance that is applicable to members in the Fund.

Members of the Future Super sub-plan within the Grosvenor Pirie Master Superannuation Fund Series 2 (ABN 32 367 272 075) were successor transferred into e-Clipse Super on 24 June 2017 which has been renamed Future Super Fund (ABN 45 960 194 277).

Unless otherwise specified, the information in this Annual Report relates to the Future Super Fund.

# Future Super Investments and Performance

There are two (2) investment options in the Fund for members of Future Super – the Future Super Balanced Growth Investment Strategy for accumulation members and the Future Super Balanced Growth Pension Strategy for pension members.

## Investment Strategy:

The investment strategy of the Fund takes into account the following criteria:

- (i) the risk involved in making, holding and realising investments, and the likely return from those investments, having regard to the Fund's objectives and its expected cash flow requirements;
- (ii) the composition of the Fund's investments as a whole including the extent to which the investments are diverse or involve the option in being exposed to risks from inadequate diversification;
- (iii) the liquidity of the Fund's investments having regard to its expected cash flow requirements; and
- (iv) the ability of the Fund to discharge its existing and prospective liabilities.

The objective, strategy and asset allocation for each of Future Super's investment options is given below. The objective is not a promise or guarantee of a particular return or benefit but is utilised by the Trustee to measure the performance of the option.

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Part of the Fund's assets may be allocated to external fund managers and their products. Asset allocations may vary from time to time for various reasons including asset allocation decisions and market movements.

The upper and lower limits of the benchmark may also vary from year to year, depending on changes to the Investment Strategy made by the Trustee.

Refer to the current Future Super Product Disclosure Statement (PDS) including related Incorporated Information for the Fund for more detailed information about the investment strategy and investment risks. The PDS is available by contacting Future Super on 1300 658 422.

**You should consider the likely investment return, the risk and your investment time frame when choosing an investment option.**

# Accumulation Members

Future Super Balanced Growth Investment Option	
<b>Suitability</b>	<p>Future Super Balanced Growth investment strategy is suitable for members comfortable with accepting short term market/performance volatility in order to achieve higher returns.</p> <p>This product is intended for everyday Australians who want to shift their retirement savings away from companies and activities which are harmful to the environment and society, and instead want to see their super invested in companies and activities which make a positive impact.</p>
<b>Investment Strategy</b>	<p>The option aims to invest in a diverse mix of assets with the majority in the growth assets such as shares, and a modest investment in defensive assets such as cash and fixed interest.</p> <p>The option's exposure to these asset classes will be obtained primarily by holding assets directly, including Exchange Traded Funds.*</p> <p>This option aims to provide investors with the highest possible returns consistent with a 'balanced growth' investment strategy, through investment in companies and assets, and will avoid investment in the companies who provide services or finance to the fossil fuel industry.</p> <p>Specific allocations may vary but the Investment Option will retain a broad 70/30 split between growth and income assets and a bias toward Australian assets.</p>
<b>Investment Return Objective</b>	CPI + 2.5% per annum over rolling ten year periods (after fees and taxes).
<b>Investor Horizon</b>	Minimum 4 - 6 years

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Asset Classes and Benchmark Allocation		Upper Limit	Lower Limit	Benchmark
	Australian shares**	60%	25%	40%
	International shares**	30%	10%	20%
	Other***	15%	0%	10%
	<b>Total growth</b>			<b>70.0%</b>
	Australian fixed interest and Cash	45%	15%	25% 5.0%
	<b>Total income</b>			<b>30.0%</b>
		20%	5%	
<b>Estimated number of negative annual returns (Risk Objective)</b>	Risk Band 6: High (4 to less than 6 estimated negative annual returns over any 20-year period).			

\*Note: The international allocation for the Future Super investment pools is obtained primarily through investment in Exchange Traded Funds that satisfy the specific ethical mandate of Future Super.

\*\* includes listed property securities and REITs

\*\*\* Other may include externally managed funds in non-traditional assets such as hedge funds, alternative asset types and absolute return funds

## Pension Members

Future Super Pension Balanced Growth Investment Option	
<b>Suitability</b>	<p>Future Super Pension investment strategy is suitable for members seeking both growth and income from their retirement savings and a balance between risk and return.</p> <p>This product is intended for everyday Australians who want to shift their retirement savings away from companies and activities which are harmful to the environment and society, and instead want to see their super invested in companies and activities which make a positive impact.</p> <p>Not available for members under the age of 55 years.</p>
<b>Investment Strategy</b>	<p>The option aims to invest in a diverse mix of assets with the majority in the growth assets such as shares, and a modest investment in defensive assets such as cash and fixed interest.</p> <p>The option's exposure to these asset classes will be obtained primarily by holding assets directly, including Exchange Traded Funds.*</p> <p>This option aims to provide investors with the highest possible returns consistent with a 'balanced growth' investment strategy, through investment in companies and assets, and will avoid investment in the companies who provide services or finance to the fossil fuel industry.</p> <p>Specific allocations may vary but the Investment Option will retain a broad 70/30 split between growth and income assets and a bias toward Australian assets.</p>
<b>Investment Return Objective</b>	<p>CPI + 2.5% per annum over rolling ten year periods (after fees and taxes).</p>

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<b>Investor Horizon</b>	Minimum 4- 6 years			
<b>Asset Classes and Benchmark Allocation</b>		<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Benchmark</b>
	Australian shares**	65%	25%	50%
	International shares**	30%	10%	20%
	Other ***	5%	0%	0%
	<b>Total growth</b>			<b>70.0%</b>
	Australian fixed interest and Cash	45%	15%	25% 5.0%
	<b>Total income</b>	20%	5%	<b>30.0%</b>
<b>Estimated number of negative annual returns (Risk Objective)</b>	Risk Band 6: High (4 to less than 6 estimated negative annual returns over any 20-year period).			

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\*\* includes listed property securities and REITs

\*\*\* Other may include externally managed funds in non-traditional assets such as hedge funds, alternative asset types and absolute return funds

The Account Based Pension Investment Option is the only investment option available to Pension members. An account based pension can provide a flexible, tax-effective way to convert some or all of your superannuation into a regular income stream subject to minimum annual payment limit. Call Future Super on 1300 658 422 for more information about pension eligibility criteria and consider the Pension PDS before making any decision to



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acquire a pension from the Fund (available by contacting the Future Super on 1300 658 422 or write to Future Super, GPO Box 1858 Sydney NSW 2001).

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## Net Earning Rate

The Net Earnings Rate of the Future Super investment options, after providing for administration and management fees and for any tax on investment earnings (other than fees and costs deducted directly from your account), in accordance with the Allocation of Earnings Policy as described below, is as follows:

Investment Option	Future Super Balanced Growth	Future Super Pension
<b>Compound Average Return to 24 June 30 June 2017 (p.a.)</b>	(0.1%)	(0.5%)
<b>Compound Average Return from inception (p.a.)</b>	(0.1%)	(0.5%)

**Please note, past investment performance is not a reliable indicator of future investment performance. The above returns apply for the inception of the portfolios within the current Fund from 24 June 2017. For returns applying to the same portfolio in the previous Fund, Grosvenor Pirie Master Superannuation Fund -Series 2, see the Future Super Fund website. For information about the fees and costs deducted prior to the calculation of net earnings see the “Fees and Other Costs” section of the current PDS applicable to your account, available from Future Super.**

Allocation of Earnings Policy;

The Fund offers unitised investments which is a pooled investment where investors purchase units, with each unit representing a share of the underlying assets (after taking into account relevant fees, costs and taxes). As a member you do not have any direct ownership of the

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underlying assets in the Fund. Over time, the value of your units will fluctuate as the market value of the assets of your investment strategy rises or fall.

Each unit has a Buy Price and Sell Price, with the difference between these prices referred to as a buy/sell spread.

Unit prices are available through your online member portal or by phoning 1300 658 422.

The value of each unit reflects the market value of the underlying assets after taking into account relevant liabilities and taxes and adjustments for buy or sell costs (as applicable). Your account balance is calculated with regard to the net value of the investment strategy in which you are invested using the Sell Price. The unit price is calculated on a daily basis.

Each member is issued a number of "units". The value of your account at any time is the number of units held multiplied by the applicable Sell Price at the time.

The contributions or other amounts paid to your account are allocated units at the next Buy Price calculated.

If you transfer your benefits to another superannuation product at any time, or make a cash withdrawal of benefits which are not required to be preserved, units will be redeemed from your investment to the value of the benefit paid or transferred based on the Sell Price. Redemptions will be calculated using the next unit price calculated for the investment strategy.

Some, but not all, fees and taxes are taken into account when calculating unit prices. For more information, please refer to the relevant PDS.

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## Significant Investments

As at 30 June 2017 assets inside the Fund which individually represent more than five (5) per cent of total assets (or the ten (10) highest percentage assets) were:

Assets	%	\$
Betashares Global Sustainability Leaders ETHI Funds - Shares	14.4%	34,439,080.00
Bendigo & Adelaide Bank - Cash	7.2%	17,178,126.98
Telstra Corporation Limited - Shares	3.9%	9,348,200.00
Bank of Queensland Limited - Shares	3.5%	8,427,200.00
Suncorp Group Limited - Shares	3.1%	7,500,846.60
NextDC Limited - Shares	3.2%	7,584,063.53
Suncorp Group Limited - Fixed Interest	3.1%	7,356,286.00
Bendigo & Adelaide Bank - Fixed Interest	2.8%	6,705,868.00
Seek Limited - Fixed Interest	2.9%	6,882,091.20
Members Equity Bank Limited - Fixed Interest	2.9%	6,869,137.50

The asset allocation at 30 June 2017 for the Fund was as follows;

### Future Super

	%	\$
Australian Shares	50%	120,563,522.44
International Shares	14%	34,439,080.00
Alternatives/ Other	1%	2,901,232.88
Fixed Interest	26%	62,954,264.77
Cash	8%	19,094,455.12
	<b>100%</b>	<b>239,952,555.21</b>

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## Allocation of Earnings Policy

As the Fund is unitised, the value of your account at any time is the number of units held by you multiplied by the applicable unit price. Earnings from investments are allocated to members through the calculation of unit prices (usually daily) for the investment option. The calculation of unit prices takes into account the performance of underlying investments and any fees, costs and taxes as applicable to the investment option.

Refer to the current PDS applicable to your account for more detailed information about unit pricing, available by contacting Future Super on 1300 658 422.

Sometimes unit pricing errors may occur. In the event that a material unit price error is detected and requires rectification, the Trustee may apply a fixed dollar minimum of \$20 when determining whether exited (former) members affected by the error should be compensated.

## Derivatives

The Trustee does not intend to invest directly in any futures, options or other derivative instruments. However, external managers may use derivatives in managing pooled investment vehicles in which the Trustee invests.

## Reserves

### **Operational Risk Reserve:**

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As part of the Stronger Super reforms, all superannuation funds are now required to establish and maintain an Operational Risk Reserve (ORR) to specifically cover potential losses arising from operational risks that may affect the Fund’s business operations. The Trustee has built up the ORR within the Fund to the defined target. The operational risk reserve is accumulated at up to 0.08% p.a. and indirectly applied through the daily unit price calculation.

The movement of the Operational Risk Reserve for the Fund (which includes reserves that related to e-Clipse Super prior to 24 June 2017) since implementation is as follows:

	Balance
<b>Balance: 30<sup>th</sup> June 2015</b>	\$295,649
<b>Balance: 30<sup>th</sup> June 2016</b>	\$108,113
<b>Balance: 30<sup>th</sup> June 2017</b>	\$676,655

The ORR is currently held separately in the Fund’ Bank Account.

**Expense Recovery Reserve:**

The Fund maintained an Expense Recovery Reserve relating to e-Clipse Super until 13 June 2017 when the reserve was dispersed as part of the Successor Fund Transfer out of the Fund. The Reserve was used collectively to pay the costs of administering the Fund including the payment of administration fees, custody fees, trustee expenses, professional services and other Fund expenses.

The Expense Recovery reserve is held separately in the Fund’s bank account.

The Expense Recovery Reserve values as at the end of the following reporting periods are as follows:

	Balance
<b>Balance: 30<sup>th</sup> June 2015</b>	\$174,136
<b>Balance: 30<sup>th</sup> June 2016</b>	\$254,564

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<b>Balance: 30<sup>th</sup> June 2017</b>	\$0.00
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## Buy/Sell Costs

When a member buys or sells units, this initiates a need for the Trustee to trade the underlying assets that relate to the particular investment transaction. This trading generates transaction costs such as brokerage, settlement costs (including custody costs), government taxes/duties/levies, bank charges and account transaction charges which are paid from the investment option.

These transaction costs are reflected in a buy/sell spread that is taken into account in the calculation of unit prices. The buy/sell spread is the difference between the entry price and exit price of units and is an additional cost incurred by members each time they invest (including via rollovers from other funds) or withdraw funds. The buy/sell spread is retained within the Fund and contributes towards the transaction costs associated with the Fund buying or selling assets in relation to investment transactions initiated by members or relating to the administration of member accounts.

The spread ensures that those members joining or leaving the Fund or product, or switching investment options, contribute towards these transaction costs and other investors who are not joining, leaving or switching investments at that particular time are not disadvantaged.

The buy/sell spread for the investment option is made up of the following costs:

	Buy	Sell
<b>Investment Strategy</b>		



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<b>Future Super</b>	0.07%	0.07%
<b>Future Super Pension</b>	0.07%	0.07%

## Financial Statements

The audit of the Fund for the year ended 30 June 2017 has been completed and the Auditor has issued an unqualified opinion on the Fund's financial statements. You may obtain a copy of the fully audited accounts and the auditor's report at any time by calling Future Super on 1300 658 422.

The following abridged financial information has been taken from the audited financial statements for the Future Super Fund for the year ended 30 June 2017:

<b>Statement of Financial Position as at 30 June</b>	<b>eClipse Super 2017</b>	<b>Future Super Fund 2017</b>	<b>CONSOLIDAT ED 2017 (\$)</b>	<b>eClipse Super 2016 (\$)</b>
<b>ASSETS</b>				
Cash and cash equivalents	805,496	21,952,363	22,757,859	24,049,399
Term Deposits	-	2,015,616	2,015,616	-
Investments held at fair market value	-	218,835,133	218,835,133	12,641,256
<b>Receivables</b>				
- Interest receivable	-	92,968	92,968	-
- Distributions and dividends receivable	-	344,146	344,146	174,675

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- GST receivable	30,872	305	31,177	68,597
<b>Other assets</b>				
- Current tax asset	-	-	-	11,018
- Deferred tax assets	2,199	125,298	127,497	44,068
<b>Total Assets</b>	<b>838,567</b>	<b>243,365,829</b>	<b>244,204,396</b>	<b>36,989,013</b>

<b>LIABILITIES</b>				
Accounts payable and accrued expenses	14,662	4,185,975	4,200,637	327,569
Successor fund transfer payable	817,856	-	817,856	-
Current tax liabilities	6,049	164,848	170,987	-
Deferred tax liabilities	-	68,968	68,968	717
<b>Total liabilities excluding member benefits</b>	<b>838,567</b>	<b>4,419,791</b>	<b>5,258,358</b>	<b>328,286</b>

<b>NET ASSETS AVAILABLE TO PAY BENEFITS</b>	<b>-</b>	<b>238,946,038</b>	<b>238,946,038</b>	<b>36,660,717</b>
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<b>Member benefits</b>	<b>-</b>	<b>238,250,556</b>	<b>238,250,556</b>	<b>36,552,614</b>
<b>TOTAL NET ASSETS</b>	<b>-</b>	<b>695,482</b>	<b>695,482</b>	<b>108,113</b>

<b>EQUITY</b>				
- <b>Operational Risk Reserve</b>	<b>-</b>	<b>676,655</b>	<b>676,655</b>	<b>108,113</b>
- <b>Unallocated Surplus</b>	<b>-</b>	<b>18,828</b>	<b>18,828</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>-</b>	<b>695,483</b>	<b>695,483</b>	<b>108,113</b>

<b>Statement of Changes in Member Benefits as at 30 June</b>	<b>eClipse Super 2017</b>	<b>Future Super Fund 2017</b>	<b>CONSOLIDATED 2017 (\$)</b>	<b>2016 (\$)</b>
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<b>Opening balance of member benefits</b>	<b>36,552,614</b>	<b>-</b>	<b>36,552,614</b>	<b>258,765,445</b>
Contributions				
- Employer	-	905,921	905,921	2,333,979
- Member	-	581,098	581,098	5,540,572

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- Government Contributions	77	28,595	28,672	18,253
- Transfers in	521,206	237,678,973	238,200,179	14,703,195
- Income tax on contributions	(16,822)	(164,672)	(181,494)	(565,646)
<b>Net after tax contributions</b>	<b>504.461</b>	<b>239,029,915</b>	<b>239,534,376</b>	<b>22,030,352</b>

Benefits to members	(36,254,628)	(59,977)	(36,314,605)	(245,069,057)
Insurance premiums charged to members accounts	(988)	(3,334)	(4,322)	(175,457)
Death and disability benefits credited to members' accounts	(596,972)	-	(596,972)	15,288
Benefits allocated to members accounts, comprising:				
- Net investment income	(27,724)	(621,069)	(648,793)	3,247,950
- Administration fees	(176,763)	(72,548)	(249,311)	(2,505,563)
Reserve transferred to/from members				
- Operational Risk Reserve	-	(3,602)	(3,602)	187,536
- Unallocated surplus	-	(18,828)	(18,828)	-
Investment expense reimbursement	-	-	-	56,120
<b>Closing balance of member benefits</b>	<b>-</b>	<b>238,250,556</b>	<b>238,250,556</b>	<b>36,552,614</b>

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## The Trustee

The legal entity responsible for managing the Fund is Diversa Trustees Limited, ABN 49 006 421 638, AFSL 235153, RSE L0000635, a professional trustee company.

The Trustee's Board of Directors during the year ended 30 June 2017 were comprised of:

Name	Appointment
<b>Mr. Vin Plan (Chairperson)</b>	Appointed 4 May 2017
<b>Ms. Karen Gibson (Director)</b>	Appointed 4 May 2017
<b>Mr. Murray Jones (Director)</b>	Appointed 1 September 2014
<b>Mr Vincent Parrot (Executive Director)</b>	Appointed 1 September 2014
<b>Mr. Garry Wayling (Director)</b>	Appointed 4 May 2017
<b>Mr. Mark Cerche (Chairman)</b>	Appointed 1 September 2014 (resigned 4 May 2017)
<b>Mr. Andrew de Vries (Director)</b>	Appointed 1 September 2014 (resigned 13 January 2017)
<b>Mr. Luke Barrett (Director)</b>	Appointed 23 June 2016 (resigned 4 May 2017)

No penalties were imposed on the Trustee and/or any of its directors under section 38A of the SIS Act during the relevant reporting period.

## Indemnity Insurance

The Trustee has a professional indemnity insurance policy to indemnify the Trustee and its Directors in case of certain losses due to a claim against the Trustee. Not all losses are covered by the insurance policy and the extent of any indemnity is subject to the terms of that policy.

## Service Providers

The Trustee uses a number of professional service providers to ensure the Fund operates as efficiently as possible. These may change at the discretion of the Trustee from time to time. Service providers include:

<b>Investment Manager</b>	Grosvenor Pirie Management Limited	<b>ABN:</b> 32 367 272 075 <b>AFSL:</b> 238184
<b>Administrator</b>	OneVue Super Services Limited	<b>ABN:</b> 74 006 877 872
<b>Promoter</b>	Future Super Services	<b>ACN:</b> 619 076 023 <b>AFSL:</b>

## Transfers to an Eligible Rollover Fund (ERF)

Superannuation legislation allows superannuation trustees to transfer benefits to an eligible rollover fund (ERF) as determined by the trustee. We have decided that benefits may be transferred to an ERF as permitted from time to time.

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The Trustee's nominated ERF is the Super Money Eligible Rollover Fund) (ABN 94 334 023 289).

The contact details of Super Money Eligible Rollover Fund are:

Super Money Eligible Rollover Fund ("SMERF")

PO BOX A2499

SYDNEY SOUTH NSW 1235

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

If your superannuation benefits are transferred to Super Money Eligible Rollover Fund, your personal information will be passed on to Super Money Eligible Rollover Fund so they can establish and administer your account.

Once your benefit is transferred to the ERF you become a member of the ERF and cease to be a member of the Future super fund. Any insurance cover applicable to you in the Future Super fund will also cease.

The ERF has different investments and fees and costs to Future Super. The ERF does not provide insurance cover. If you would like further information about the features of the ERF, contact the Super Money Eligible Rollover Fund for a copy of Super Money Eligible Rollover Fund's product disclosure statement.

The Trustee is also the trustee of Super Money Eligible Rollover Fund and receives remuneration in this capacity.

## Other Information

### Legislative update:

Note: This update was compiled as at December 2017 and is subject to change. For up to date information go to [www.ato.gov.au](http://www.ato.gov.au) or contact the Fund Administrator.

This is a summary only of some superannuation and taxation laws that impact superannuation contributions and benefits. It includes information arising from changes to legislation and proposed arrangements that may be applicable in 2016/17. These changes have been passed by both houses of Parliament and have now received royal assent. For further information about taxation go to [www.ato.gov.au](http://www.ato.gov.au).

The impact of these laws on you personally will depend on your personal situation. Tax law can be complex and special rules may apply to certain amounts contributed to superannuation (e.g. amounts from overseas superannuation funds, personal injury settlements, proceeds from the sale of a small business, and employer termination payments). For information or advice about these amounts or, more generally, that takes into account your personal circumstances, you should contact your financial adviser.

1 July 2017 brought a number of significant changes to superannuation legislation in a decade. The highlights of the key changes include:

### Changes in contribution caps

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### Changes in concessional and non-concessional contribution caps

	Before 1 July 2017	→	From 1 July 2017
Less than 49 years old	\$30,000		\$25,000
49 or older	\$35,000		



### The non-concessional (after tax) contribution caps have decreased since 1 July 2017

	Before 1 July 2017	→	From 1 July 2017
Each year	\$180,000		\$100,000
Using bring forward rule	\$540,000		\$300,000

## Changes to the bring forward rule for the non concessional cap

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 is known as the bring-forward arrangement.



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For 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.

## Introduction of a total superannuation balance from 1 July 2017

The 'total superannuation balance' was introduced as part of a new test to determine an individual's non-concessional contributions cap and bring forward period. Your total is essentially 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.

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:

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- 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.

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Transitional rules apply if you have recently used the bring-forward cap; see your adviser for further information.

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
Over \$1.6m	Nil	N/A

## Introduction of a \$1.6 million transfer balance cap from 1 July 2017

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. So, 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.

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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. Should the transfer balance cap still be exceeded, the excess will have to be removed from the retirement phase pensions, and tax be 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 on [ato.gov.au](http://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.

## 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.

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

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## Co-contributions

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 in the income threshold for additional contributions 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).

## Changes 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.

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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'.)

## 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.

## SUPER CONTRIBUTION FOR LOW-INCOME EARNERS

A low-income super contribution (LISC) of up to \$500 per year for low-income earners currently applies. This will apply to concessional (before tax) contributions made by or for eligible individuals who earn up to \$37,000 (not indexed). The contribution is 15% of the concessional contributions you or your employer makes from 1 July 2012.

From 1 July 2017, the government will introduce the Low Income Superannuation Tax Offset (LISTO) to reduce tax on contributions for low income earners, replacing the current LISC.

Like the LISC, the LISTO will be capped at \$500 and will apply to individuals with income up to \$37,000 that have had a concessional contribution made on their behalf.

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## CHANGES TO THE SUPER GUARANTEE (SG)

Currently your employer is required to pay 9.50% based on your earnings to super. The SG rate will now remain at the current 9.50% until 30 June 2021 and then will gradually increase to 12% between 1 July 2021 and 1 July 2025.

## General

If you have any queries about the Fund's operations please contact Future Super on: 1300 658 422 during office hours, or write to, Future Super, GPO Box 1858, Sydney NSW 2001.

You also should find most information that you need to know about this product in the current PDS applicable to your account, in this Annual Report and in your Annual Member Statement. A copy of the latest PDS relevant to you is available on request or on the Administrator's website at <http://www.myfuturesuper.com.au/>. You can also request a paper copy of this Annual Report free of charge.

You have the right to inspect or request copies of information about the Fund including the following:

- Trust Deed
- Audited Financial Accounts and
- Auditor's Reports

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Requests should be in writing and addressed to the Trustee as stated above.

## Enquiries and Complaints

If you have any enquiries about your superannuation entitlements, please call Customer Service on 1300 658 422. The Trustee is obliged to provide you with information you reasonably require to understand your benefit entitlements. If you have a complaint, please call or write to us on 1300 658 422 or GPO Box 1858, Sydney, NSW 2001. If you are not satisfied with the handling of your complaint, or your complaint has not been resolved within 90 days, you may contact the Superannuation Complaints Tribunal (SCT) for the price of a local call on 1300 884 114 or send your complaint to Locked Bag 3060, Melbourne, 3001. The SCT is an independent body set up by the Federal Government to assist in resolving superannuation complaints.

## Contributions Surcharge

During the reporting period, we may have received a surcharge assessment from the Australian Taxation Office (ATO). The amount payable in respect of members is deducted from the relevant member's account and remitted to the ATO.



# Former Temporary Residents' Superannuation

The Trustee has an obligation to pay unclaimed superannuation of a non-resident to the Commissioner of Taxation under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members) Act 1999. The Trustee relies on ASIC relief to the effect that the Trustee is not obliged to notify or give an exit statement to a non-resident in circumstances where the Trustee pays unclaimed superannuation to the Commissioner of Taxation. Also, please note that non-residents have a right to make application to the Commissioner of Taxation in order to claim the unclaimed superannuation under Division 4 of Part 3A of the above mentioned Act. For further information, go to [www.ato.gov.au](http://www.ato.gov.au) or contact the Australian Taxation Office on 13 10 20.

## More Information

Further information is available on request. For more information about the Fund or this product please contact Future Super on 1300 658 422 and ask for the current PDS including related Incorporated Information or visit Future Super's website: [www.myfuturesuper.com.au](http://www.myfuturesuper.com.au) or write to GPO Box 1858, Sydney, NSW 2001.

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## Disclaimer

Reasonable care is taken to ensure that information is correct, but neither the Trustee nor its service providers accept responsibility for any errors, misprints or for anyone acting on this information. The Trustee reserves its right to correct any errors or omissions.

The terms of your membership in the Fund are set out in the Fund's Trust Deed and any applicable insurance policy and product disclosure statement. Should there be any inconsistency between the Trust Deed and other documents, the terms of the Fund's Trust Deed will prevail. The Trustee reserves the right to amend the terms and conditions of the Fund in accordance with the provisions of the Trust Deed and superannuation law. The Trustee may also withdraw the product disclosure statements and close the Fund.