



Annual report

2018

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About this annual report

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

ANNUAL REPORT	For the year ended 30 June 2018
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We are pleased to present our Annual Report for the Future Super Fund (“Future Super” or the “Fund”).

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.

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 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 2018. 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.

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

Report from the board of Trustees

“It has been a busy year with strong investment returns, and superannuation being at the forefront of Government review.”

On behalf of the Board, I welcome you to our annual report for the year to June 2018. Once again it has been a busy year with superannuation making front pages of the newspapers more times than usual.

Outcomes of the Royal Commission

The Royal Commission focussed on a number of areas including misconduct, overcharging of fees and fees for no service. At times, the revelations of the Royal Commission were shocking and deeply disappointing, for both the industry and every Australian.

The Year Ahead

Future Super’s core value is to build members wealth while building more of the world we all want to live in. We continue to work on further improvements to the way your retirement savings are managed. Future super Asset Management Ltd is the investment manager for Future Super and invests in line with the ‘Future Super Values’. Future Super Asset management will continue to apply its knowledge and expertise to seek out financially-rewarding investments in exceptional companies, which provide an appropriate mix of ‘Super Values’ within the investment options, including the selection, appointment, replacement and ongoing evaluation of investment managers within these options. In the coming year, Future Super Accumulation will extend its investment options by providing a Balanced Index investment option, Balanced Impact Investment Option, and Renewables Plus Growth Investment Option.

Important for members

Future Super is a super fund 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. The Federal Government has tabled legislation which may impact members control of their super and ability to do this in the future. The legislation impacts both insurance and inactive members whose balance is less than \$6,000, and who have not made a contribution in 12 months or more. Should this legislation be enacted by the Federal Parliament, your best way of responding is to engage with Future Super, confirm that your contact details are up to date, which will ensure that you are not listed as a lost member, consider your insurance held and your future requirements, as well as consolidating your super. Details of your member account will be on your member statement available to you within Future Super.



Vin Plant

Chair Diversa Trustees Board

The Trustee

Diversa Trustees Limited (the Trustee) ABN 49 006 421 638, AFSL 235153, RSE Licence Number L0000635, is the Trustee of Future Super. The Trustee is responsible for the ongoing management of the Fund. Diversa Trustees is a wholly owned subsidiary of OneVue Holdings Limited (OneVue). 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 Future Super members security and peace of mind about their investments.

Board members

As at 30 June 2018, the composition of the Board is 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 Trustee 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.



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.



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 Trustee 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.



Robyn FitzRoy – Director

BA, MA, FAICD

Robyn was appointed to the Diversa Trustee Board on 21 December 2017. Robyn is a former Executive Director of Macquarie Bank Group where she initiated and ran a profitable direct distribution business for which she set up a business development call centre, a marketing intelligence/data analysis unit, an e-commerce platform and product development and management. She has an extensive background in marketing, business and governance with over 20 years' experience in the financial services industry.

She is also a non-executive director of the Self-Managed Super Fund Association and Gateway Bank. Committee involvement includes Chair of the Nominations & Remuneration Committee, and membership of Risk Committees and Audit Committees.

Robyn founded and is principal of her own governance consultancy which specialises in board and CEO performance evaluations. She is a former non-executive director of CUSCAL, Habitat for Humanity Australia and MLC School. Robyn is also an accredited facilitator and author of courses for the Australian Institute of Company Directors.

Note: Karen Gibson ceased to act as Director (Diversa Trustees only) on 20 December 2017. Vincent Parrott ceased to act as Director on 13 June 2018.

Remuneration

The directors of the Board did not receive and are not due any remuneration from the Fund in connection with the management of the Fund. Any Directors fees are paid by Diversa Trustees Limited.

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 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 comply 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 Future Super Trust Deed. The Board has some powers to alter the Trust Deed. A copy of the Funds Trust Deed can be found online at www.myfuturesuper.com.au.

Compliance

Future Super 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.

Investment Returns

The year to 30 June 2018 has delivered good returns for Investors.

Asset class returns for the 12 months to 30 June 2018 were as follows:

Asset Class	Return (%)
Cash	1.8
Australian Bonds	3.1
International Bonds (hedged)	1.9
Australian Shares	13.0
Australian Property Securities	13.0
International Shares (hedged)	10.8
International Shares (unhedged)	15.0
Emerging Share Markets (unhedged)	12.3

Actual returns will be determined by the investment strategy adopted and prevailing market conditions. The Fund's monthly investment performance information is also made available within Future Super.

Information on investment performance relating to your Member Account specifically is provided in your annual Member Statement for the year ended 30 June 2018.

For fair comparison purposes, the following 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.

Returns to 30 June 2018	1 year	Since inception
Future Super Balanced Growth Accumulation	9.11%	8.96% per annum*
Future Super Balanced Growth Pension	10.54%	10.36% per annum**
Future Super Growth Accumulation	N/A	4.85%***
Benchmark****	4.35%	3.93% per annum

Returns are calculated using changes in the unit price.

One year returns are to 30 June 2018 and are net of fees and taxes.

Compound returns since inception are compound annualised averages and are net of all investment fees, admin fees and taxes. When the 5 or 10 years compound return is unable to be determined, the since inception return is provided.

*Inception date for Future Super and the Balanced Growth option was 1 September 2014. **Inception date for Future Super Pension Balanced Growth option was 17 July 2015. ***Inception date for Future Super Growth is 1 May 2018. ****The benchmark is CPI plus 2.25% per annum

Neither past performance nor volatility is a reliable indicator of what may happen in the future. Neither capital nor returns are guaranteed. Past performance is calculated pre-tax and after fees and expenses, assumes distribution reinvestment but does not take into account inflation.

Future Super Investments and Performance

The following contain information regarding the Investment Options of the Fund for the year ended 30 June 2018. Details of investments options shown are not a guarantee of any particular benefit or return. The investment option objectives are used by the Trustee to measure the performance of the Fund's investments. The investment option available to members of the pension product are the same as the objectives and strategies of those in the accumulation option, however no tax is applicable to pension assets (except effective 1 July 2017 for transition to retirement pensions). There were two investment options in the Fund for members of Future Super at 30 June 2018: Future Super Balanced Growth, and Future Super Growth 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.

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

Suitability	Future Super Balanced Growth investment strategy is suitable for members comfortable with accepting short term market/performance volatility in order to achieve higher returns. 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.			
Investment Strategy	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. The option’s exposure to these asset classes will be obtained primarily by holding assets directly, including Exchange Traded Funds. * 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. 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.			
Investment Return Objective	CPI + 2.5% per annum over rolling ten year periods (after fees and taxes).			
Investor Horizon	Minimum 4 - 6 years			
Asset Classes and Benchmark Allocation		Upper Limit	Lower Limit	Benchmark
	Australian shares**	60%	25%	40%
	International shares**	35%	15%	25%
	Alternatives - Other***	15%	0%	5%
	Total Growth			70.0%
	Australian Fixed	45%	15%	25%
	Cash	20%	2.5%	5%
	Total Defensive			30.0%
Estimated number of negative annual returns (Risk Objective)	Risk Level 6: High (4 to less than 6 estimated negative annual returns over any 20-year period).			

Future Super Growth Investment Option

Suitability	Future Super Growth investment strategy is suitable for members comfortable with accepting short term market/performance volatility in order to achieve higher returns. 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.			
Investment Strategy	Future Super Growth aims to invest in a diverse mix of assets with the majority in growth assets such as shares, and a modest investment in defensive assets such as cash and fixed interest. Future Super's exposure to these asset classes will be obtained primarily by holding assets directly, including Exchange Traded Funds. This option aims to provide investors with the highest possible returns consistent with a 'growth' investment strategy. Specific allocations may vary but Future Super Growth will retain a broad 75/25 split between growth and income assets, with a bias toward Australian assets. The option is invested using both a negative and positive ethical screening process. Ethical considerations for this investment pool are set out below. The Future Super Growth investment strategy will target a 20% exposure to renewable energy through a diversified range of assets across all of Australian shares, International shares, Alternative investments, infrastructure and debt.			
Investment Return Objective	CPI + 2.75% per annum over rolling ten year periods (after fees and taxes).			
Investor Horizon	Minimum 4 - 6 years			
Asset Classes and Benchmark Allocation		Upper Limit	Lower Limit	Benchmark
	Australian shares**	60%	25%	40%
	International shares	35%	15%	25%
	Alternatives – Other***	15%	0%	10%
	Total Growth			75.0%
	Australian Fixed	40%	15%	20%
	Cash	20%	2.5%	5%
	Total Defensive			25.0%
Estimated number of negative annual returns (Risk Objective)	Risk Level 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

Suitability	<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>			
Investment Strategy	<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. 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>			
Investment Return Objective	CPI + 2.5% per annum over rolling ten year periods (after fees and taxes).			
Investor Horizon	Minimum 4- 6 years			
Asset Classes and Benchmark Allocation		Upper Limit	Lower Limit	Benchmark
	Australian shares**	65%	25%	50%
	International shares**	30%	10%	20%
	Other ***	5%	0%	0%
	Total Growth			70%
	Australian fixed interest and Cash	45%	15%	25%
		20%	2.5%	5%
	Total Defensive			30%
Estimated number of negative annual returns (Risk Objective)	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

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 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).

Future Super Values

Future Super is designed to provide investors with a way of building retirement savings without investing in businesses which directly or indirectly support the fossil fuel industry. As well as avoiding fossil fuel investments, Future Super Values are also taken into account in the positive and negative screening of the investments. Please refer to the Product Disclosure Statement and Additional Information Guide at the Future Super website for further details at www.myfuturesuper.com.au.

Socially responsible investments

The Trustee, with the assistance of its service providers, takes the above environmental, social, ethical and labour standards into account, in the selection, retention or realisation of investments. Future Super's Investment Committee draws on internal and external specialists to construct an approved investment list for the Investment Manager, and to ensure Future Super's investments are consistent with these Future Super Values.

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
Compound Average Return to 30 June 2018 (p.a.)	9.11%	10.54%
Compound Average Return from inception (p.a.)	8.96% ¹	10.36% ²

Returns are calculated using changes in the unit price. One year returns are to 30 June 2018 and are net of fees and taxes. Compound returns since inception are compound annualised averages and are net of all investment fees, admin fees and taxes. When the 5 or 10 years compound return is unable to be determined, the since inception return is provided.

*Inception date for Future Super and the Balanced Growth option was 1 September 2014.

**Inception date for Future Super Pension Balanced Growth option was 17 July 2015.

***Inception date for Future Super Growth is 1 May 2018.

****The benchmark is CPI plus 2.25% per annum

Please note, past investment performance is not a reliable indicator of future investment performance. 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.

¹ 1 September 2014 is the inception date of the Future Super Balanced Growth Investment strategy

² 10 June 2015 is the inception date of the Future Super Pension Investment strategy

Gross Assets of the Future Super Fund

The assets of the Fund are invested across a range of asset classes. The value of each asset class and the percentage that it represents of the Fund's assets are set out below:

	30 June 2018	
	% of Assets	Amount \$
Australian shares*	43.56	146,774,987
International shares	24.07	81,080,898
Alternatives / Other	7.31	24,633,790
Fixed Interest	19.87	66,954,583
Cash	5.19	17,486,968
Total Assets	100.0	336,931,226

*via an exchange traded fund listed on the ASX

Significant Investments

As at 30 June 2018 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 Australian Sustainability Leaders ETF Units	35.65	120,120,891
Betashares Global Sustainability Leaders ETF Units Fully	24.06	81,080,898
Infradebt Ethical Infrastructure Debt Fund	3.92	13,204,031
Suncorp - bonds	2.20	7,412,300
NextDC - shares	2.11	7,100,095
Seek Ltd - bonds	2.07	6,957,936
Members Equity - fixed interest	2.02	6,818,175
Benx - bonds	2.00	6,745,700
Bank of Queensland - bonds	1.74	5,856,084
Suncorp - shares	1.63	5,478,320

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 (each business day) 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 and Additional Information Guide 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:

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 movement of the Operational Risk Reserve for the Fund since implementation is as follows:

	Balance
Balance: 30 th June 2014	\$0
Balance: 30 th June 2015	\$162,563
Balance: 30 th June 2016	\$609,515
Balance: 30 th June 2017	676,655
Balance: 30 th June 2018	857,061

The investment strategy in respect of the ORR is to hold all of its investments in Australian income securities including cash, term deposits, floating rate notes and bonds. This is designed to ensure there will not be large movements in its value due to investment market movements.

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
Investment Strategy		
Future Super	0.07%	0.07%
Future Super Pension	0.07%	0.07%

The movement of the buy/sell reserve for the Fund since implementation is as follows:

Changes in buy/sell reserve	2018	2017	2016	2015
Reserve balance at the beginning of the reporting period	676,655	108,113	\$43,529	\$34,919
Plus: Transfers into reserve	204,731	5,916	0	\$175,321
Plus: SFT Transfers into reserve	-	673,053	-	-
Plus: Earnings on reserve	0	3,024	0	0
Less: Transfers out of reserve	(24,325)	(113,451)	(\$43,529)	(\$166,711)
Balance:	857,061	676,655	\$0	\$43,529

Financial Statements

The audit of the Fund for the year ended 30 June 2018 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 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 2018:

Statement of Financial Position as at 30 June	2018 (\$'000)	2017 (\$'000)
ASSETS		
Cash and cash equivalents	17,487	22,758
Term Deposits	-	2,016
Investments held at fair market value	319,445	218,835
Receivables		
- Interest receivable	158	93
- Distributions and dividends receivable	646	344
- GST receivable	33	31
Other assets		
- Current tax asset	-	-
- Deferred tax assets	51	127
Total Assets	337,820	244,204
LIABILITIES		
Accounts payable and accrued expenses	609	4,200
Successor fund transfer payable	103	818
Current tax liabilities	3,073	171
Deferred tax liabilities	1,757	69
Total liabilities excluding member benefits	5,542	5,258
NET ASSETS AVAILABLE TO PAY BENEFITS	332,278	238,946
Member benefits	330,471	238,251
TOTAL NET ASSETS	1,807	695
EQUITY		
- Operational Risk Reserve	857	676
- Expense Reserve	80	-
- Unallocated Surplus	870	19
TOTAL EQUITY	695,483	695

Statement of Changes in Member Benefits as at 30 June	2018 (\$'000)	2017 (\$'000)
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Opening balance of member benefits	238,251	36,553
Contributions		
- Employer	24,473	906
- Member	4,539	581
- Government Contributions	432	29
- Transfers in	59,792	238,200
- Income tax on contributions	(3,819)	(181)
Net after tax contributions	85,417	239,535
Benefits to members	(16,880)	(36,315)
Insurance premiums charged to member's accounts	(212)	(4)
Death and disability benefits credited to members' accounts	8	(597)
Benefits allocated to member's accounts, comprising:		
- Net investment income	28,520	(649)
- Administration fees	(4,563)	(249)
Reserve transferred to/from members		
- Operational Risk Reserve	(181)	(4)
- Expense Reserve	(1)	-
- Unallocated surplus	112	(19)
Closing balance of member benefits	330,471	238,251

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:

Promoter

Future Super Services Pty Ltd
ACN 619 076 023
Authorised rep of Future Super Asset Management Ltd AFSL 238184

Investment Manager

Future Super Asset Management Ltd (Future Investment Services)
ABN 81 002 558 956 AFSL 238184

Administrator

OneVue Super Services
ABN 74 006 877 872

Insurer

AIA Australia Limited
ABN 79 004 837 861 AFSL 230043

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.

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

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

Superannuation changes announced in the 2018 Federal Budget

Superannuation related changes announced in the recent May 2018 Federal Budget are designed to increase member protection and the flexibility of rules around superannuation. Some of the proposed changes (which have not yet been legislated) are:

- insurance in superannuation will move from default to an opt-in basis for any member with a balance below \$6,000, or who is under 25 years or with an inactive account (with no contributions in 13 months). These changes are to take effect from 1 July 2019. Members who are impacted have until then to decide whether to opt-in to their existing cover or allow it to terminate
- administration and investment fees charged by super funds will be capped at 3% pa of accounts with balances below \$6,000. Exit fees will be banned for all super accounts. These changes are to take effect from 1 July 2019

- individuals with multiple employers and with income exceeding \$236,157 will be able to nominate that wages from certain employers are not subject to SG from 1 July 2018 in order to avoid unintentionally breaching the \$25,000 concessional cap
- an exemption from the work test for voluntary contributions for individuals aged 65 to 74 with balances below \$300,000 in the first year they do not meet the work test requirements. (The contribution caps will still apply to the contribution.) These changes are to take effect from 1 July 2019
- superannuation fund trustees will be required to develop a retirement income strategy for fund members, which is aimed at supporting the Government's proposed comprehensive income product for retirement (CIPR) framework
- all inactive superannuation accounts (where no contribution has been received for 13 months) with a balances below \$6,000 will be required to be transferred to the Australian Taxation Office (ATO). ATO data-matching will be expanded to pro-actively reunite these with members' active accounts, where possible. The changes take effect from 1 July 2019
- the ATO will be provided additional funding to develop new integrity models and undertake additional compliance activity to alert individuals to the requirement that they comply with Notice of Intention to Deduct (NOI) requirements. This measure is proposed to commence from 1 July 2018.

Highlights of key superannuation changes from 1 July 2018

The Government has made a number of significant reform proposals in relation to superannuation, some of which have since been legislated and took effect (generally) from 1 July 2018.

Key changes include:

- from 1 July 2018, superannuation fund members will be able to 'carry-forward' any unused amount of the concessional contributions cap. Members will be able to access their unused concessional contributions cap on a rolling basis for five years. Amounts carried forward that have not been used after five years will expire. The first year in which superannuation fund members can access unused concessional contributions is 2019–20 (when unused concessional contributions for the 2018 – 19 year can be carried forward). Members will only be able to carry-forward their unused concessional contributions cap if their total superannuation balance at the end of 30 June of the previous financial year is less than \$500,000
- first home buyers will be able to withdraw voluntary superannuation contributions made from 1 July 2017 for a first home deposit. From 1 July 2017 individuals can contribute up to \$15,000 per year (subject to contribution caps). They will be able to withdraw up to \$30,000 (plus associated earnings) per person in total under the scheme. Withdrawals of contributions (and any associated deemed earnings) may be made from 1 July 2018
- a person aged 65 or over can contribute up to \$300,000 from the proceeds of the sale of their home as a non-concessional contribution into superannuation, from 1 July 2018. This is in addition to the maximum contribution otherwise permitted in super (but the transfer balance cap for conversion from the accumulation to retirement phase will still apply). This measure will apply to sales of a principal residence owned continuously by you and/or your spouse for the past 10 or more years and both members of a couple will be able to take advantage of this measure for the same home
- reforms to dispute handling arrangements have been legislated where the current external dispute resolution body for superannuation, the Superannuation Complaints Tribunal will be replaced with the Australian Financial Complaints Authority from 1 November 2018.

Superannuation changes revisited from 2017 Federal Budget

Total superannuation balance

The total superannuation balance cap was introduced on 30 June 2017, as a test to determine an individual's non concessional contributions cap and bring forward period. Essentially it is the total value of your accumulation and retirement phase interests including any rollover amounts across all of your superannuation providers calculated as at 30 June of each financial year. Excluding any contributions made with the proceeds of a personal injury compensation payment, it is indexed annually. And is \$1.6m for the year ending 30 June 2018.

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.

Concessional and non-concessional contribution caps

2018/2019 financial year

Concessional cap (CC) \$25,000*

*Caps are (indexed in line with the average weekly ordinary time earnings (AWOTE), and rounded down to the nearest \$2,500).

Since the 1st July 2017, you have been able to claim a tax deduction for your personal voluntary contributions to a complying superannuation fund up to the CC. Certain eligibility rules apply. Further guidance can be found at www.ato.gov.au.

2018/2019 financial year

Non-Concessional cap (NCC)

Annual (1 year) \$100,000**

3 year bring forward \$300,000***

** Available if you are aged 65 or under. (indexed to four times the annual concessional contributions cap). If total superannuation balance at 30 June 2018 is \$1.6m or more, NCC cap is nil.

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

Non-concessional contribution restrictions

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

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

The bring-forward arrangement

If you are under 65 years of age, 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 known as the bring-forward arrangement.

Going forward into the 2018-19 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 2018
 - 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.
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The bring forward applies from 1 July of the first financial year where NCC's exceed \$100,000. Transition rules apply where bring forward was triggered in 2016/17 and total NCC's up to 30 June 2017 were less than \$540,000.

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

Transfer balance cap

The transfer balance cap introduced 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. Starting at \$1.6m and in place since the 1st July 2017, it is indexed in line with the consumer price index (CPI). However, the indexation is 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.

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.

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.

- This superannuation legislation update is a broad summary for general information purposes only. The application of some of the legislative changes can be complex. Further information on superannuation legislation changes can be found at www.ato.gov.au. We recommend that you speak to your financial adviser about how these and any other relevant superannuation changes may affect you. The implications depend on your personal circumstances.

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 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

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

Enquiries and Complaints

The Trustee has set up a formal procedure for dealing with complex enquiries and complaints about Future Super or your Future Super account, including insurance. You can make an initial enquiry by phoning 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 658 422
Write:	Complaints Officer Future Super 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 final decision, or we have not responded within 90 days from the date that your complaint is received, you may lodge a complaint with the Australian Financial Complaints Authority (AFCA), our external dispute resolution (EDR) scheme.

Commencing from 1 November 2018, AFCA is an EDR scheme that deals with complaints from consumers in the financial system.

Strict time limits apply for lodging certain complaints with AFCA; otherwise AFCA may not be able to deal with your complaint.

To find out if AFCA can handle your complaint and determine the type of information you need to provide, AFCA contact details are as follows:

Phone:	1800 931 678
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Email: info@afca.org.au

Write: Australian Financial Complaints Authority
(AFCA)
GPO Box 3
Melbourne VIC 3001

Visit: Afca.org.au

Access to AFCA is free of charge. You can also find out more about Future Super enquiries and complaints procedures at the Funds website.

Note: The Superannuation Complaints Tribunal was replaced with the Australian Financial Complaints Authority (AFCA) from 1 November 2018.

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 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 or write to GPO Box 1858, Sydney, NSW 2001.

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.

Directory

Obtaining further information

Member Services

Phone: 1300 658 422

Email: info@myfuturesuper.com.au

Web: www.myfuturesuper.com.au

Post: GPO Box 1858, Sydney, NSW 2000