SuperWrap

Prepare for the best.

BT Super Investment Insurance Advice

Annual Report

for the year ended
30 June 2016

Contents

About this Annual Report

This annual report dated 10 December 2016 is issued by BT Funds Management Limited (ABN 63 002 916 458, RSE L0001090) ('Trustee'), the issuer and trustee of SuperWrap, which is part of the super fund known as Retirement Wrap (ABN 39 827 542 991, RSE R1001327).

The Trustee is an approved trustee under the Superannuation Industry (Supervision) Act 1993 (Cth) ('SIS').

SuperWrap, which comprises of the Personal Super Plan, Pension Plan and Term Allocated Pension Plan, is part of the complying superannuation fund known as Retirement Wrap, constituted under the Retirement Wrap Trust Deed dated 1 February 1999. Members of SuperWrap are bound by the provisions of the trust deed, as amended from time to time.

Welcome

Dear member,

We are pleased to provide you with the annual report for SuperWrap for the financial year ending 30 June 2016. This report provides you with updates on product and regulatory changes that may affect your superannuation, as well as financial and other important information.

It's been a volatile year for markets with challenges at various times by the Greek debt concerns, US Federal Reserve tightening, capital flight from China, Brexit and uncertainly over US economic and policy outlook post Presidential Election. Over the year to 30 June, share markets were lower, however, bonds had a very strong year. Though uncertainty seems set to dominate the coming year and may constrain overall returns, this can also create opportunities in investments.

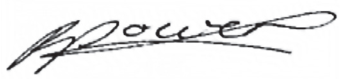
We remain committed to supporting you and your adviser to plan for your best retirement. During the past year we have delivered the following improvements:

- an improved security process to reduce the risk of fraud
- more information available on investorwrap.com.au including bank details, beneficiary details, insurance policy information and pension account details
- social security information statements able to be generated via investorwrap.com.au, which makes it easier for members receiving social security payments to provide the required information to the Department of Human Services
- allowed the acceptance of more forms via email, and
- the new Benefits Now program which provides real financial benefits to members on a range of purchases for Health and Wellbeing, shopping, entertainment and travel.

We will continue to communicate important changes to you or your adviser as they occur.

If you have any questions about the annual report or your account please contact your adviser or call one of our SuperWrap Consultants on 1300 657 010.

Yours sincerely,



Kelly Power

Head of Platforms, Platforms & Investments
BT Financial Group
For and on behalf of the Trustee of SuperWrap

Changes to superannuation that may affect you

1. 2016/17 superannuation thresholds

The superannuation contributions caps and various other superannuation thresholds that apply for the 2016/17 financial year are as follows:

Low rate cap:	$195,000
Concessional contributions cap:	
> Standard cap (under age 49 on 30 June 2016)	$30,000
> Aged 49 or over on 30 June 2016	$35,000
Non-concessional contributions cap:	$180,000[1]
Capital Gains Tax (CGT) Cap: (lifetime limit)	$1,415,000
Government Co-contributions:	
> Maximum co-contribution[2]	$500
> Lower threshold	$36,021
> Upper threshold (cut off)	$51,021
Superannuation Guarantee (SG) rate[3]	9.5%

2. Higher concessional contributions cap

For 2016/17 financial year, the standard concessional contribution cap is $30,000 pa.

An increased concessional contribution cap of $35,000 pa (not indexed) is available for members aged 49 years or over on 30 June 2016.

From 1 July 2017, the concessional contributions cap will reduce to $25,000 per year, irrespective of age. Please refer to "Superannuation changes" for further information.

3. Lost member accounts transferred to the ATO

Your super account will generally be considered 'lost' if:

- no contributions or rollovers have been added to your account in the last year and either the trustee has never had an address for you or mail sent to you by the trustee has been returned unclaimed, or
- for default employer super plans, no contributions or rollovers have been added to your super account in the last five years.

  If your account is considered to be lost, the trustee may be required to transfer your account balance to the ATO if:

  - your account balance is less than the small lost account threshold; or
  - the trustee is satisfied that it will never be possible to pay an amount to you (because you cannot be identified based on the information reasonably available to the trustee).

From 31 December 2015, the small lost account threshold has increased to $4,000 (previously $2,000) and from 31 December 2016 it will increase further to $6,000.

If your account balance is transferred you will be able to reclaim it from the ATO. The ATO will pay interest on unclaimed super money amounts paid directly to eligible individuals for the period the money was held by the ATO after 1 July 2013. Any interest paid is tax free.

4. Low Income Super Contribution (LISC)

From 2012/13, those with adjusted taxable income[4] of up to $37,000 who have received concessional contributions during the year, may be eligible to receive a government super payment of up to $500 to help save for their retirement. This payment is called the low income super contribution (LISC).

The Government has abolished LISC payments from 1 July 2017. LISC payments will continue to be payable in relation to eligible individuals who made concessional contributions received in financial years 2012/13 to 2016/17 inclusive. Please refer to "Superannuation changes" for further information.

1 If you were under age 65 on 1 July 2017 you may be able to make up to $540,000 of non-concessional contributions over three financial years. Please refer to "Superannuation changes" for further information.

2 The maximum co-contribution payable is phased out by 3.333 cents for every dollar of total income over the lower threshold, until it reaches zero at the upper threshold.

3 The SG rate is currently 9.5% where it will remain until 30 June 2021. From 1 July 2021, the SG rate will increase to 10% and thereafter will increase by 0.5% each financial year until it reaches 12% at 1 July 2025.

4 Adjusted taxable income is the sum of taxable income, adjusted fringe benefits, target foreign income, total net investment loss, tax-free pension or benefits and reportable superannuation contributions less deductible child maintenance expenditure.

5. Temporary Budget Repair Levy & Medicare Levy increase

A Temporary Budget Repair (TBR) Levy of 2% will apply to the amount of a person's taxable income above $180,000 for 2014/15, 2015/16 and 2016/17 financial years only. The TBR Levy will also be reflected in a number of other tax rates that are currently based on the top marginal tax rate, for the same 3 year period. The TBR levy is due to cease on 1 July 2017.

The Medicare Levy also increased from the 2014/15 financial year from 1.5% to 2.0% and will remain at 2.0% to help fund the National Disability Insurance Scheme.

The TBR Levy and increased Medicare Levy impacts the tax withheld from some payments you receive from your pension and super accounts as outlined below.

6. Preservation Age increases

Generally you can access your superannuation when you have permanently retired on or after reaching your preservation age or after you reach age 65. You can access your superannuation in limited other circumstances such as if you become permanently incapacitated, are suffering from a terminal medical condition or are suffering severe financial hardship.

If you are aged between preservation age and age 65 you can also commence a transition to retirement pension allowing you to access your superannuation in the form of a non-commutable income stream.

If you were born before 1 July 1960 your preservation age is 55. If you were born on or after 1 July 1960 your preservation age is between 56 and 60 depending on your date of birth (see the table below).

Date of Birth	Preservation Age	When you will reach Preservation Age
Before 1 July 1960	55	Before 1 July 2015
1 July 1960 – 30 June 1961	56	1 July 2016 – 30 June 2017
1 July 1961 – 30 June 1962	57	1 July 2018 – 30 June 2019
1 July 1962 – 30 June 1963	58	1 July 2020 – 30 June 2021
1 July 1963 – 30 June 1964	59	1 July 2022 – 30 June 2023
After 30 June 1964	60	After 30 June 2024

7. Tax on payments

Income payments

For the 2016/17 financial year, the tax payable on income payments you receive from your pension will include the increased Medicare Levy and may also include the TBR Levy.

Lump sum payments

Tax withheld from lump sum payments you, or your non-dependant (tax) beneficiaries[1], receive from your pension or super account will include the increased Medicare Levy but will not include the TBR Levy. If you or your non-dependant (tax) beneficiaries[1] receive a lump sum payment and have taxable income above $180,000 for 2016/17 additional tax may be payable as part of the tax return process.

From 1 July 2016 if you are eligible to access your superannuation as a lump sum, the tax we are required to withhold will depend on your age and the tax components within your benefit, as shown in the table below.

Age	Tax withheld on the Taxable component	Tax withheld on the Tax-free component
Under preservation age[2]	A rate of 22% (including the Medicare Levy)	Nil
Preservation age[2] to 59	Up to $195,000[3]: Nil Above $195,000[3]: a rate rate of 17% (including the Medicare Levy)	Nil
60 or over	Tax-free	Nil

Death benefits paid on or after 1 July 2016 as a lump sum to a non-dependant for tax purposes[1] will have tax withheld in the following manner:

Component	Tax withheld
Tax-free	Nil
Taxable (taxed element)	Taxed at 17% (including the Medicare Levy)
Taxable (untaxed element)	Taxed at 32% (including the Medicare Levy)

1 Death benefits paid as a lump sum to your dependants (for tax purposes) are tax-free. A dependant for tax purposes includes your spouse or former spouse, your children under 18, a person who was wholly or substantially financially dependent on you at the time of your death and a person with whom you were in an interdependency relationship at the time of your death.

2 Your preservation age is between 55 and 60 depending on your date of birth.

3 This is the low rate cap which provides a lifetime limit of $195,000 for 2016/17, indexed to AWOTE rounded down to the nearest $5,000 in subsequent years.

Superannuation changes

The Federal Government announced a number of changes to superannuation in the 2016-17 Federal Budget.

These changes have now passed the Federal Parliament and are outlined below. Please note that most of these changes will commence on 1 July 2017.

Non-Concessional Contributions cap reduced

From 1 July 2017, the non-concessional contributions cap will be reduced to $100,000 per annum. The existing "bring-forward" provisions will continue which allows members under age 65 to make non-concessional contributions of up to $300,000 over 3 years. Once your total super balance has reached $1.6 million, however, you will no longer be eligible to make non-concessional contributions. Eligibility will be based on an individual's total super balance as at 30 June the previous financial year.

Concessional contributions cap reduced

From 1 July 2017, the concessional (before-tax) contributions cap will reduce from $30,000 (or $35,000 for individuals over age 49) to $25,000 per year, irrespective of age.

From 1 July 2019, those with super balances less than $500,000 at the end of the previous financial year, will be allowed to make additional concessional contributions by utilising unused concessional cap amounts from the previous 5 years, however, this will only apply to unused cap amounts from 1 July 2018.

Transfer Balance cap

From 1 July 2017, the total amount of superannuation that can be transferred into retirement phase will be capped at $1.6 million, irrespective of when the income stream commenced. The cap will be indexed annually in $100,000 increments in line with increases in the consumer price index. Superannuation savings in excess of the cap can remain in a superannuation account in accumulation phase, where the earnings will continue to be taxed at the concessional rate of 15%. This limit will also apply to existing pensions, where any excess above $1.6 million at 30 June 2017, will generally be required to be rolled back to the accumulation phase or withdrawn from the super system entirely.

Amounts in excess of the transfer balance cap that are retained in the retirement phase will be subject to additional tax. Transitional provisions provide an exception to existing pensions where the excess transfer balance at 1 July 2017 will be disregarded if it is less than $100,000. Members in this situation will have six months until 31 December 2017 to transfer or withdraw the excess amount.

Removal of the tax exemption for Transition to Retirement (TTR) income streams

From 1 July 2017, the tax exemption for earnings on the assets of a transition to retirement income stream will be removed, irrespective of when the income stream commenced. Instead, the earnings will be taxed at the same rate as a superannuation accumulation account.

Reduction of Division 293 tax threshold

The threshold for Division 293 tax is being reduced from adjusted taxable income (ATI) of $300,000 per annum to $250,000 per annum from 1 July 2017.

Low Income Super Tax Offset (LISTO)

The Government intends to introduce a Low Income Superannuation Tax Offset (LISTO) from 1 July 2017. The LISTO will compensate individuals earning $37,000 or less for the tax paid on their concessional contributions to super up to a maximum of $500 (a concessional contribution of $3,333). This effectively extends the Low Income Super Contribution (LISC), which ceases to apply after 30 June 2017.

Eligibility for Government co-contributions

From 1 July 2017, the government co-contribution will only be available to individuals whose non-concessional contributions for the relevant income year do not exceed their non-concessional cap for that year.

Tax deductions for personal contributions

The Government intends to allow anyone under age 75 to claim an income tax deduction for personal superannuation contributions made on or after 1 July 2017. Currently, this tax deduction is only available to persons who are not employees for the purposes of Superannuation Guarantee (compulsory superannuation) or who are substantially self-employed (those who earn less than 10% of their total income from employment related activities).

Extending the spouse tax offset

From 1 July 2017, the Government intends to extend eligibility for the spouse tax offset, of up to $540, to an individual making a contribution for an eligible spouse whose income is up to $37,000 (currently $10,800). There will be a phase out for spouse income between $37,000 and $40,000 (currently $10,800 and $13,800).

The tax offset is not available if the spouse's total superannuation balance as at 30th June of the previous financial year has exceeded the transfer balance cap ($1.6 million).

Other legislation:

Tax on Departing Australia Superannuation Payment

From 1 July 2017, the Government proposes to increase the tax applied to Departing Australia Superannuation Payments (DASP) to 95% for temporary residents who held working holiday visas (Subclass 417 and 462). The tax on DASPs for other temporary residents will not change.

Investment information

SuperWrap offers a wide selection of investment strategies to enable you and your adviser to plan your retirement needs. Under these strategies, there are a number of options including cash, listed securities and managed funds. As the investment climate or your needs change, you can change your investment as often as you want, provided you maintain the minimum balance in your Cash Account and any applicable investment limits are not exceeded.

The investments available to you will depend on the SuperWrap product you hold. You should refer to the latest Investment Options Booklet for the product you hold for details of the investments currently available to you. A copy of the latest Investment Options Booklet is available from your adviser.

SuperWrap has been designed to provide a range of investment strategies and options, for you and your adviser to plan your investment goals. All of the strategies (except the sector specific direct strategies and certain cash options, such as Term Deposits) are invested in managed funds. Each strategy has different risk and return characteristics and investment time frames.

Each of the available investments (detailed in the applicable Investment Options Booklet) falls within one of the investment strategies. The Trustee does not manage the underlying investments. Consequently, the Trustee has no control over the performance of the underlying fund or the time the fund manager takes to make and redeem investments. The Trustee may place restrictions on the percentage that you may invest in a particular investment strategy or investment. Please refer to the SuperWrap Product Disclosure Statement and the Investment Options Booklet for further details regarding any investment restrictions.

The following pages provide a guide to the characteristics of each investment strategy offered under SuperWrap.

However, this information is provided as a guide only. Before deciding to invest in any particular investment, you are responsible for determining whether the investment is appropriate for your needs. You should consult with your adviser before deciding to invest in any particular investment.

The Trustee may remove, withdraw or add managed fund, listed security and term deposit investments at its discretion at any time and may change the conditions associated with investing in these options. In determining whether to remove or withdraw an option, the Trustee can take into account a variety of issues including, but not limited to, performance, administration and the liquidity of the option. If an option is removed, the Trustee will redeem your funds from that option and place them into your Cash Account. Where an investment is withdrawn, you may continue to retain your investment in that option. However, no new investments (including distribution reinvestments) may be placed into that option unless approved by the Trustee. Please note that the Trustee does not directly invest in derivative securities.

Changes to investment strategies

The Trustee may change the investment strategies for SuperWrap at any time. The Trustee will notify you of any such changes.

Investments exceeding 5%

As at 30 June 2016, the value of members':

- Cash Accounts, which are invested in one or more underlying bank accounts at Westpac Banking Corporation, represents 9.05% of the total assets of SuperWrap
- units in Mosaic Portfolio Advisers Limited represents 7.53% of the total assets of SuperWrap
- units in Advance Asset Management Limited represents 5.84% of the total assets of SuperWrap

The above values are accurate as at 30 June 2016, but will continue to change over time.

There are no other combinations of investments that the Trustee knows or ought reasonably to know are invested, directly or indirectly, in a single enterprise or single group of associated enterprises and that have a combined value in excess of 5% of the total assets of SuperWrap as at 30 June 2016.

Strategies offered to SuperWrap members

Please note that some of these investment strategies may not be available to you. Please contact your adviser or refer to the latest Investment Options Booklet for the SuperWrap product you hold for further information about what investment strategies are available to you.

Investment information

Use of derivatives

SuperWrap are not actively involved in the use of derivatives. Some underlying investments may invest in derivatives such as options or futures. These may, as part of that fund manager's investment strategy, be used to hedge or partially hedge against specific exposures. The investment strategy of SuperWrap is not to enter or issue derivatives for trading purposes.

Earnings

Earnings, in the form of capital growth, income distribution or dividends, received from your investments are credited to your account. Your investment earnings will depend on the performance of the investments you choose and the amount of money invested in each.

Diversified managed investment strategies					
	Standard risk measure	**Time frame**	**Investment objective**	**Indicative ranges**	
Growth	Risk bands 5-6 (Medium high to High)	Recommended for 5-6 years or more	To provide investors with growth over rolling 5-6 year periods through higher exposure to growth assets with a lower level of capital security. This is achieved through a higher exposure to shares and property, with some fixed interest and cash investments as well as a possible exposure to Alternative Assets. Funds in this strategy will suit investors who want to grow the value of their investment over the long term and accept that returns over the short term will fluctuate and may even be negative.	**Growth assets** 70%–100%	**Defensive assets** 0%–30%
Balanced	Risk bands 4-5 (Medium to Medium high)	Recommended for 4-5 years or more	To provide investors with growth over rolling 4-5 year periods through a balanced exposure to growth and income producing assets with a moderate level of capital security. This is achieved through a balanced exposure to shares and property as well as to fixed interest and cash investments. This may also include an exposure to Alternative Assets. Funds in this strategy will suit investors who want a balanced exposure to growth and income producing assets and accept that returns over the short term will fluctuate and may even be negative.	**Growth assets** 40%–70%	**Defensive assets** 30%–60%
Conservative	Risk bands 2-5 (Low to Medium high)	Recommended for 3-4 years or more	To provide investors primarily with income and also some growth over rolling 3-4 year periods with a higher level of capital security. This is achieved through an investment portfolio consisting mainly of fixed interest and cash investments, but which normally will also have some exposure to growth assets such as shares and property. This may also include an exposure to Alternative Assets. Funds in this strategy will suit investors who prefer a higher exposure to income producing investments, while having limited exposure to growth investments and accept that returns over the short term will fluctuate and may even be negative.	**Growth assets** 0%–40%	**Defensive assets** 60%–100%

Sector specific managed investment strategies			
	Standard risk measure	Time frame	Investment objective
Australian shares	Risk bands 6-7 (High to Very high)	Recommended for 6-7 years or more	To provide investors with growth to the value of their investments over rolling 6-7 year periods through both capital growth and distributions with a low level of capital security. This is achieved primarily through an exposure to Australian shares. Funds in this strategy may have a specific focus (such as smaller companies) or employ internal leverage. Funds in this strategy will suit investors who want to grow the value of their investment over the long term and accept that returns over the short term will fluctuate and may even be negative.
International shares	Risk bands 6-7 (High to Very high)	Recommended for 6-7 years or more	To provide investors with growth to the value of their investments over rolling 6-7 year periods through both capital growth and distributions with a low level of capital security. This is achieved primarily through exposure to shares from around the world although some Funds may also have exposure to Australian Shares. Within this strategy Funds may have a specific focus (such as smaller companies) or employ internal leverage. Funds in this strategy will suit investors who are seeking to invest in international share markets to grow the value of their investments over the long term and who accept that returns over the short term will fluctuate and may even be negative.
Property securities	Risk bands 6-7 (High to Very high)	Recommended for 6-7 years or more	To provide investors with income and some growth to the value of their investments over rolling 6-7 year periods through mainly distributions but also some capital growth with a low level of capital security. This is achieved primarily through exposure to property related listed securities in Australia and New Zealand. Funds in this strategy will suit investors who want mostly income returns while maintaining some growth in the value of their investment over the long term and accept that returns over the short term will fluctuate and may even be negative.
Direct property	Risk bands 5-7 (Medium high to Very high)	Recommended for 5 years or more	To provide investors with mostly income and some capital growth to the value of their investments over rolling 5 year periods with a medium level of capital security. This is achieved primarily through exposure to direct property. Funds in this strategy may have internal leverage and could experience limited liquidity due to direct property exposure and therefore may have delays in redemptions. Funds in this strategy will suit investors who want mostly income returns while maintaining some growth in the value of their investments over the long term and accept that returns over the short term will fluctuate and may even be negative.
Australian fixed interest	Risk bands 3-4 (Low medium to Medium)	Recommended for 3-4 years or more	To provide investors with mainly income returns that are above inflation and cash over rolling 3-4 year periods with a higher level of capital security. This is achieved primarily through exposure to Australian and New Zealand fixed interest securities. Funds in this strategy will suit investors who want to maintain the value of their investment over the medium term and accept that returns over the short term will fluctuate and may even be negative.
International fixed interest	Risk bands 3-5 (Low medium to Medium high)	Recommended for 3-5 years or more	To provide investors with mainly income returns that are above inflation and cash over rolling 3-5 year periods with a higher level of capital security. This is achieved primarily through exposure to fixed interest securities from around the world. Funds in this strategy will suit investors who want to maintain the value of their investment over the medium term and accept that returns over the short term will fluctuate and may even be negative.

Investment information

Sector specific managed investment strategies			
	Standard risk measure	**Time frame**	**Investment objective**
Hedge Funds (Alternative)[1]	Risk bands 3-4 (Medium to Very high)	Recommended for 5-7 years or more	To provide investors with returns that may be uncorrelated to the direction of the share and bond markets. Funds in this strategy may not be managed to track a specific index, such as the All Ordinaries, Dow Jones or MSCI, may invest in both physical securities and derivatives and may use leverage with a clear goal to deliver an absolute return to investors.
Cash Plus (Short term fixed interest)	Risk bands 1-2 (Very low to Low)	Recommended for 2 years or more	To provide investors with mainly income returns that are higher than cash over rolling 2 year periods with a high level of capital security. This is achieved primarily through exposure to a range of cash, fixed interest securities and mortgages. Funds in this strategy will suit investors seeking returns and risk slightly higher than those available from cash investments while aiming to maintain the value of their investment over the short term.
Cash	Risk bands 1-2 (Very low to Low)	No minimum recommended time frame	To provide investors with income returns that are above at call bank deposit rates with a high level of capital security. This is achieved primarily through exposure to a range of short term securities, government and bank backed securities and corporate securities. Funds in this strategy will suit investors seeking high investment liquidity for short periods with a low risk of capital loss.
Term Deposits	Risk bands 1-2 (Very low to Low)	Time frame of the term deposit	To provide investors with income returns that are above at call bank deposit rates with a high level of capital security. This is achieved primarily through exposure to term deposits across a range of maturities. Term Deposits will suit investors seeking returns and risk slightly higher than those available from cash investments and aiming to maintain the value of their investment over the term of the Term Deposit with a low risk of capital loss.

Sector specific direct investment strategies			
	Standard risk measure	**Time frame**	**Investment objective**
Listed Australian shares	Risk bands 6-7 (High to Very high)	Recommended for 6-7 years or more	To provide investors with growth to the value of their investments over rolling 6-7 year periods through both capital growth and dividends with a low level of capital security. This is achieved primarily through a choice of listed equity securities on the ASX. This strategy will suit investors who want to manage their own portfolio of listed Australian equity securities and accept a high level of risk associated with this type of investment and the possibility of negative returns in any year.
Listed trusts (including Property trusts, Listed investment companies, Exchange traded funds)	Risk Bands 1-7 (Very Low to Very high)	Recommended for 2-8 years or more	To provide investors with growth in the value of their investment over rolling 2-8 year periods and the level of capital security will vary depending on the nature of the underlying assets. This is achieved primarily through exposure to a choice of Listed Trusts available on the ASX. Investments in this strategy will suit investors seeking to manage their own portfolio of Listed Trusts.
Listed debt securities (including bonds, floating rate notes, convertible notes, hybrid securities and collateralised debt obligations)	Risk bands 3-6 (Low medium to High)	Recommended for 3-6 years or more	To provide investors with mainly income returns that are above inflation and cash over rolling 4-5 year periods with a medium level of capital security. This is achieved primarily through exposure to a choice of debt securities listed on the ASX. Investment in this strategy will suit investors who want to manage their own portfolio of listed Australian debt securities and accept a moderate level of risk associated with this type of investment.

1 Some of the alternative asset investments have characteristics that are different to other managed fund investments. These characteristics include infrequent pricing of units (eg monthly rather than daily or weekly pricing) and possible extended delays in processing withdrawals or redemptions (eg in some cases 5 months or more depending on the liquidity of underlying assets). Before deciding to invest in an alternative asset fund investment you should consult your adviser and ensure you read and understand the relevant offer document and Product Profile for the relevant alternative asset investment.

Other important information

How is my investment valued?

Your benefit in SuperWrap is equal to the number of units, listed securities, or term deposits you hold in the underlying investment multiplied by the relevant withdrawal or sale price of each investment, plus the value of your Cash Account, less all taxes payable and SuperWrap charges.

Your Cash Account is an interest bearing account and forms part of your investment. The Cash Account serves a number of purposes including receipt of contributions, a settlement account for your investment transactions and the account from which fees and charges are deducted and to which income is credited.

The value of the managed fund holdings are determined by the governing rules of the underlying fund manager and reflect the value of the underlying investments held by the underlying managed fund. As the value of these underlying assets goes up and down, so will the value of your managed fund holdings.

Similarly the value of any listed security investments you hold will fluctuate with movements in the prices of the securities.

Your withdrawal benefit in SuperWrap will differ from your total benefit, as the Trustee will create a provision for fees, charges and tax payable, that have accrued but have not yet been deducted from your account.

These provisions are required to ensure that there are sufficient funds left to meet these accrued liabilities if you leave the fund before these liabilities fall due. In calculating this provision the Trustee will make an assessment as to what value, if any, will be given for franking credits received or credited and losses incurred.

Performance information

Past performance of investments available through SuperWrap is not a reliable indicator of future performance.

You can view your SuperWrap account's actual performance by logging on to investorwrap.com.au and referring to your Annual Statement.

Eligible Rollover Fund for SuperWrap

The Eligible Rollover Fund ('ERF') currently selected for SuperWrap is:

SuperTrace Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124

If your benefit is transferred to SuperTrace:

- you will cease to be a member of SuperWrap and any insurance cover provided will also cease on the date of transfer or the end of any continuation period that may apply, if that period is after the cessation date
- you will need to contact the SuperTrace Administrator on 1300 788 750 in order to claim your benefit back or deal with your benefit
- you will not be able to make contributions to the ERF
- you will not have any investment choice – the trustee of the ERF will nominate the investment strategy that will apply
- the ERF will normally ensure that your benefits will not be eroded by administration fees and charges; however, other fees may apply. Refer to the ERF's disclosure statement for more information.

Currently your benefit may be transferred to the ERF in the following circumstances:

- If you are a member of the Personal Super Plan and become a lost member, that is:
  - one piece of written communication has been returned unclaimed, or
  - the Trustee has never received your address details

  unless during the last two years the Trustee has verified that your address is correct and has no reason to believe it is not correct. It is important that you inform the Trustee of any changes to your address details so that you are not transferred to the ERF. Trustees of regulated super funds report details of lost members to the Australian Tax Office ('ATO'), which maintains a lost members register. Persons may search the register to ascertain whether they have benefits, which are lost
- If your Cash Account balance falls below the minimum required balance (unless you are a member of the Pension Plans and the total value of your pension account is below the minimum amount). If this happens, you will be requested to make an additional investment or sell down investment holdings to increase your balance over the minimum. If you do not increase your balance, your benefit may be transferred to the ERF
- If you request to transfer your benefit to another fund and that request cannot be processed due to insufficient information, or the other fund returns the money to SuperWrap because they have been unable to process the request

- If you cease to have an adviser that is authorised to sell or distribute interests in SuperWrap
- If the Distributor of the SuperWrap product you hold ceases to distribute SuperWrap
- If circumstances discussed in the 'Cooling-off period' section of the SuperWrap Product Disclosure Statement (available through your adviser) apply
- If the circumstances discussed in the 'Transfers from UK pension schemes' section of the SuperWrap Product Disclosure Statement (available through your adviser) apply
- In any other circumstances permitted under superannuation law.

What if I have a complaint?

SuperWrap has arrangements in place for dealing with members' inquiries or complaints. If you have any inquiries or complaints about SuperWrap that cannot be discussed with your adviser, please contact a SuperWrap Consultant on 1300 657 010 from 8.00am to 6.30pm, Monday to Friday (Sydney time).

If it cannot be resolved over the phone, you can outline your complaint in writing to:

The Complaints Officer
SuperWrap
GPO Box 2675
Sydney NSW 2001

The Complaints Officer will endeavour to resolve your complaint within 30 days of receiving your letter.

However, if you are not satisfied with the response or have not received a response within 90 days, you may contact the Superannuation Complaints Tribunal ('the Tribunal') by calling 1300 884 114, by faxing (03) 8635 5588, or by writing to:

Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001

The Tribunal is an independent body established by the Government to help members of superannuation funds resolve complaints. The Tribunal will attempt to resolve your complaint through conciliation, helping you and the Trustee to reach an agreement. If your dispute cannot be resolved through conciliation, the Tribunal may ask for submissions and make a binding determination.

Superannuation surcharge

Any surcharge amounts will be deducted from your account.

Indemnity insurance

The Trustee is indemnified by a professional indemnity insurance policy in respect of its duties as Trustee of SuperWrap.

Temporary residents

A temporary resident is a holder of a temporary visa under the Migration Act 1958.

From 1 April 2009, if you are, or were, a temporary resident and are not an Australian citizen, New Zealand citizen or permanent resident of Australia, or a holder of a retirement visa (Subclass 405 or 410), you can generally only access your preserved super benefits if you become permanently incapacitated, have a terminal medical condition, or have departed Australia permanently and your visa has ceased, or your beneficiaries may access your benefits if you die. You may also be able to access your benefit if you satisfied another condition of release under superannuation law before 1 April 2009.

The Australian Government also requires us to pay temporary residents' unclaimed super to the ATO after at least six months have passed since the later of:

- the date a temporary resident's visa ceased to be in effect and
- the date a temporary resident permanently left Australia.

The ATO identifies and informs the Trustee of the impacted members on a twice yearly basis. Once your benefit has been transferred to the ATO you will need to claim it directly from the ATO (ato.gov.au).

If your benefit has not yet been transferred to the ATO, applications to claim your benefit can be made using the ATO Departing Australia Superannuation Payment ('DASP') online application system. To access this system and full information regarding DASP procedures and current tax rates visit ato.gov.au.

It is important to note that we do not allow temporary residents under age 55 to transfer money derived from a UK registered pension scheme after 5 April 2015 to SuperWrap (to the extent that SuperWrap is able or willing to accept such transfers). For more information on this restriction, refer to the 'Transfers from UK pension schemes' section of the SuperWrap Product Disclosure Statement (available from your adviser).

We are permitted under, and rely on, ASIC relief under Class Order CO 09/437 to not notify or provide an exit statement to a non-resident in circumstances where we pay unclaimed superannuation to the ATO under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members) Act 1999.

Financial Information

As permitted under the corporations Act, audited fund accounts and the auditor's report have not been included with this Annual Report. Copies of complete audited financial statements and the auditor's report will be available from:

BT Funds Management Limited

Level 20, 275 Kent Street,

Sydney NSW 2000

or by contacting the SuperWrap Consultants on 1300 657 010.

Financial information

Retirement Wrap – SuperWrap

Statements of net assets as at 30 June 2016

SuperWrap	2016 $'000	2015 $'000
Assets		
Investments		
Cash and cash equivalents	573,631	661,145
Equity securities	4,404,198	4,611,922
Fixed Interest Securities	481,572	396,757
Derivatives	735	968
Term deposits	4,438,835	4,656,166
Unlisted Unit Trusts	26,645,783	25,340,504
Total Investments	**36,544,754**	**35,667,462**
Other Assets		
Receivables	1,305,649	1,050,454
Other assets	66,563	115,814
Current tax asset	40,886	65,323
Total Other Assets	**1,413,098**	**1,231,591**
Total assets	**37,957,852**	**36,899,053**
Liabilities		
Payables	80,731	107,011
Deferred tax liability	51,854	82,580
Total liabilities	**132,585**	**189,591**
Net assets available to pay benefits	**37,825,267**	**36,709,462**

Financial information

Statements of changes in net assets for the year ended 30 June 2016

SuperWrap	2016 $'000	2015 $'000
Net assets available to pay benefits at the beginning of the year	36,709,462	33,225,680
Investment income		
Dividend income	210,780	222,524
Interest income	173,070	205,820
Distribution income	1,645,872	1,393,823
Changes in the net market value of investments	(1,255,471)	811,195
Other investment income	105	114
Total investment income	**774,356**	**2,633,476**
Contributions revenue		
Members' contributions	1,184,680	1,288,585
Employers' contributions	613,290	570,836
Transfers from other funds	3,022,271	3,763,446
Total contribution revenue	**4,820,241**	**5,622,867**
Other revenue		
Proceeds from insurance policies	33,987	24,279
Other revenue	7,006	6,144
Total other Revenue	**40,993**	**30,423**
Benefits paid	**3,918,991**	**4,136,775**
General administration expenses		
Trustee's fees	28,778	27,247
Adviser fees	267,392	270,103
Account keeping fees	140,200	141,658
Insurance premiums	174,363	154,470
Other expenses	91,664	89,848
Total general administration expenses	**702,397**	**683,326**
Changes in net assets before income tax	**1,014,202**	**3,466,665**
Income tax expense/(benefit)	(101,603)	(17,117)
Changes in net assets after income tax	**1,115,805**	**3,483,782**
Net assets available to pay benefits at the end of the year	**37,825,267**	**36,709,462**

This annual report contains unaudited abridged financial information for the financial year ended 30 June 2016 in relation to SuperWrap as part of Retirement Wrap (Fund). The full Retirement Wrap's audited, auditor's report and annual report accounts are available on request by contacting the SuperWrap Consultants on 1300 657 010.

Tax Reserve Account

Movement	2016 $'000	2015 $'000	2014 $'000	2013 $'000
Opening balance	115,814	90,964	60,627	47,478
Movement in account	-49,251	24,850	30,337	13,149
Closing balance	66,563	115,814	90,964	60,627

The Investment strategy for the Tax Reserve Account (TRA) is 100% Cash to ensure that there is appropriate liquidity to remit tax to the Australian Taxation Office (ATO) when required. The TRA was established to hold SuperWrap members' taxes in transition between members and the ATO. To meet this strategy, the TRA comprises of an at-call Westpac bank account earning a variable interest rate.

For more information speak to your adviser or

Super
Investment
Insurance
Advice

investorwrap.com.au	SuperWrap GPO Box 2337 Adelaide SA 5001	1300 657 010 from 8.00am to 6.30pm	enquiry@investorwrap.com.au

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