

# Annual Report

*for the year ending 30 June 2018*

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## **About this Annual Report**

This annual report dated 13 December 2018 is issued by BT Funds Management Limited (ABN 63 002 916 458, RSE L0001090, AFSL No. 233724) ('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.

The information contained in this report is given in good faith and has been derived from sources believed to be accurate as at its issue date. However, neither the Trustee nor any company in the BT Financial Group nor any of their related entities, employees or directors gives any warranty of reliability or accuracy nor accepts any responsibility arising in any other way including by reason of negligence for errors or omissions. This disclaimer is subject to any contrary provisions of the law. Taxation considerations are based on current laws and their interpretation.

The information contained in this annual report is general information and does not take into account your individual objectives, financial situation or needs. You should consider the appropriateness of this information, taking into account your objectives, financial situation and needs, and consider talking to your adviser before acting on any of the information in this annual report.

# Welcome

Dear member,

We are pleased to provide you with the annual report for SuperWrap for the financial year ending 30 June 2018. This report provides you with updates on product and regulatory changes that may affect your superannuation, as well as financial and other important information.

Strong 2017 investment performance has been replaced by an air of caution as the 2018 financial year closed. Signs of synchronised global growth, led by impressive performance from the US, Europe and Japan, have acted to strengthen resolve against trade tensions, and political surprises.

With geopolitical issues grabbing the headlines, focus should remain on the positive fundamentals underpinning the world's economies. Australian equities are generally supported by the benefits of continued strength in the economy, while international equities and emerging markets were helped by strong company profits and low borrowing costs. The US is facing headwinds as the Federal Reserve begins to contract its balance sheet and this, in conjunction with the desire to raise interest rates in an orderly approach, may place additional upward pressure on inflation that will test investment markets as we draw towards the end of 2018.

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:

- > automatic life insurance enhancements to provide members with even more comprehensive cover;
- > a new online tool members can use for withdrawals;
- > shortened processing turnaround times for some key transactions; and
- > additional new funds added to provide members with greater choice.

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,



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

# Changes to superannuation that may affect you

## 1. 2018/19 superannuation thresholds

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

<b>Concessional contributions cap</b>	\$25,000
<b>Non concessional contributions cap</b>	\$100,000 <sup>1</sup>
<b>Capital Gains Tax (CGT) Cap</b> (lifetime limit)	\$1,480,000
<b>Government Co-contributions</b>	
- Maximum co-contribution <sup>2</sup>	\$500
- Lower threshold	\$37,697
- Upper threshold (cut off)	\$52,697
<b>Superannuation Guarantee (SG) rate<sup>3</sup></b>	9.5%
<b>Low rate cap</b>	\$205,000

<sup>1</sup> If you were under age 65 on 1 July 2018 and satisfy other conditions you may be able to make larger non-concessional contributions over two or three financial years. Once your total super balance has reached \$1.6 million, however, your non-concessional contribution cap will be nil. Your total super balance is assessed as at 30 June of the previous financial year.

<sup>2</sup> 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.

<sup>3</sup> 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.

## 2. Catch-up concessional contributions

From 1 July 2018, if an eligible individual contributes less than the concessional contribution cap, the un-used amount may be carried forward for up to five years. This allows additional pre-tax contributions that would have otherwise exceeded the cap in a particular year.

To be eligible, an individual's total super balance as at 30 June of the previous financial year must be less than \$500,000. For individuals with multiple super accounts, the total of all accounts combined must be less than \$500,000. For more information go to [ato.gov.au](http://ato.gov.au).

## 3. First Home Super Saver Scheme (FHSSS)

From 1 July 2018, individuals are able to apply to the Australian Taxation Office (ATO) to withdraw voluntary contributions made to superannuation on or after 1 July 2017 for the purposes of purchasing a first home.

Voluntary contributions include salary sacrifice contributions made with before tax money and personal contributions made with after tax money. These voluntary contributions must be made within your contribution caps.

Voluntary contributions that are accessible under the FHSSS are capped at \$15,000 per financial year. The maximum amount that can be released is \$30,000 of personal contributions plus an associated deemed earnings amount. To be eligible to request a release of amounts under the FHSSS, you must be at least 18 years old and have never owned property in Australia.

Withholding tax is only charged against eligible concessional (before tax) contributions and deemed earnings that are released. The tax rate will be based on the individual's marginal tax rate less 30%. No tax is withheld from amounts released that pertain to non-concessional contributions.

For more information go to [ato.gov.au](http://ato.gov.au).

## 4. Downsizer contributions

From 1 July 2018, if you are age 65 or over and satisfy other eligibility conditions, you will be able to contribute up to \$300,000 to superannuation from the proceeds of the sale of your main residence.

The main residence must have been owned by you or your spouse for at least 10 years prior to disposal on or after 1 July 2018 and you cannot have made

contributions from an earlier disposal of a main residence. Other eligibility conditions will apply.

Once you are satisfied that a contribution qualifies under the rules, the contribution must be made within 90 days of the date of settlement. You will need to notify your superannuation provider in the approved form that the contribution is a downsizer contribution at the time of making the contribution.

Qualifying downsizer contributions do not count against your contributions caps.

We recommend you seek professional advice about whether your contributions qualify under these rules. For more information go to [ato.gov.au](http://ato.gov.au).

## 5. Early release under compassionate grounds

From 1 July 2018, the responsibility for assessing the early release of super benefits under compassionate grounds has been transferred from the Department of Human Services (DHS) to the Australian Taxation Office (ATO).

While the eligibility criteria has not changed, in order to access your super under compassionate grounds, you must now apply via the ATO. To see the eligibility criteria and/or make an application go to [ato.gov.au](http://ato.gov.au).

## 6. Reporting to the Department of Human Services (DHS)

From 1 January 2019, all income stream providers (super and non-super) will be required to electronically report member data to the Department of Human Services (DHS).

For account based and market linked income streams, the electronic reporting of member information to the DHS will be conducted twice yearly, with the first electronic report to be provided by 28 February 2019.

At the time of writing, no similar legislation has been introduced requiring mandatory reporting of member data directly to the Department of Veterans Affairs (DVA).

## 7. Removal of anti-detriment payments

Anti-detriment payments are now only payable in respect of certain death benefit payments where the member died before 1 July 2017 and the payment is made by 30 June 2019.

An anti-detriment payment is an increased amount that is payable when a death benefit payment is paid as a lump sum to a person who is a spouse, former spouse or child of the deceased member. An anti-detriment payment represents a refund of contributions tax paid on all contributions made to the fund by the deceased member since joining the fund.

# Proposed changes to superannuation

The Federal Government announced a number of changes to superannuation in the 2018 Federal Budget.

The proposed changes, as described below, are not yet law and are subject to change.

## Protecting your super package

The government has proposed the following 3 measures to apply from 1 July 2019:

1. Insurance in super can only be provided on an 'opt-in' basis for:
  - New members under age 25;
  - Inactive accounts where no contributions or rollovers have been made within the last 13 months unless the member has elected to obtain or maintain their insurance cover;
  - Accounts with balances below \$6,000 (and has never reached \$6,000 since 1 April 2019).
2. Any inactive super accounts with balances below \$6,000, where no insurance cover is attached, will need to be transferred to the ATO, who will expand their data matching processes to reunite inactive super accounts with the member's active account where possible.
3. Capping the total amount of administration, investment fees and prescribed costs to 3% each year for superannuation accounts with balances below \$6,000. In addition, exit fees will be banned on all super accounts.

# 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 2018, the value of members':

- > Cash Accounts, which are invested in one or more underlying bank accounts at Westpac Banking Corporation, represents 7.32% of the total assets of SuperWrap
- > units in managed funds managed by Mosaic Portfolio Advisers Limited represents 7.76% of the total assets of SuperWrap
- > units in managed funds managed by Advance Asset Management Limited represents 8.76% of the total assets of SuperWrap
- > units in managed funds managed by Vanguard Investments Australia Limited represents 6.10% of the total assets of SuperWrap.

The above values are accurate as at 30 June 2018, 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 2018.

## 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.

## Use of derivatives

The trustee may add or remove derivatives at their discretion. In addition 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.

## 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	
<b>Growth</b>	Risk bands 5-6 (Medium high to High)	Recommended for 5-6 years or more	<p>To provide investors with growth through higher exposure to growth assets with a lower level of capital security.</p> <p>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. Investment Options 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.</p>	<b>Growth assets</b> 70% – 100%	<b>Defensive assets</b> 0% – 30%
<b>Balanced</b>	Risk bands 4-5 (medium to medium high)	Recommended for 4-5 years or more	<p>To provide investors with growth through a balanced exposure to growth and income producing assets with a moderate level of capital security.</p> <p>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.</p> <p>Investment Options 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.</p>	<b>Growth assets</b> 40% – 70%	<b>Defensive assets</b> 30% – 60%
<b>Conservative</b>	Risk bands 2-3 (low to low medium)	Recommended for 3-4 years or more	<p>To provide investors primarily with income and also some growth with a higher level of capital security.</p> <p>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. Investment Options 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.</p>	<b>Growth assets</b> 0% – 40%	<b>Defensive assets</b> 60% – 100%

## Sector specific managed investment strategies

	Standard risk measure	Time frame	Investment objective
<b>Australian shares</b>	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 through both capital growth and distributions with a low level of capital security. This is achieved primarily through an exposure to Australian shares. Investment Options may have a specific focus or employ internal leverage. Investment Options 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.
<b>International shares</b>	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 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 Investment Options may also have exposure to Australian Shares. Within this strategy Investment Options may have a specific focus (such as smaller companies) or employ internal leverage. Investment Options in this strategy will suit investors who are seeking to invest in international share markets to grow the value of their investment over the long term and who accept that returns over the short term will fluctuate and may even be negative.
<b>Property securities</b>	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 through mainly distributions but also some capital growth with a low level of capital security. This is achieved through exposure to property related listed securities. Investment Options 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.
<b>Direct property</b>	Risk bands 5-7 (Medium high to Very high)	Recommended for 5-6 years or more	To provide investors with mostly income and some capital growth to the value of their investments with a medium level of capital security.  This is achieved primarily through exposure to direct property. Investment Options 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 investment over the long term and accept that returns over the short term will fluctuate and may even be negative.
<b>Hedge Funds (Alternative)<sup>1</sup></b>	Risk bands 5-7 (medium high 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. Investment Options 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 such as managed futures and may use leverage with a clear goal to deliver an absolute return to investors.
<b>Australian fixed interest</b>	Risk bands 3-5 (Low medium to medium high)	Recommended for 4 years or more	To provide investors with mainly income returns that are above inflation and cash with a higher level of capital security.  This is achieved primarily through exposure to Australian and New Zealand fixed interest securities. Investment Options 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.

<sup>1</sup>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.

## Sector specific managed investment strategies

	Standard risk measure	Time frame	Investment objective
<b>International fixed interest</b>	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 with a higher level of capital security. This is achieved primarily through exposure to fixed interest securities from around the world. Investment Options 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.
<b>Short term fixed interest</b>	Risk band 2 (low)	2 years	To provide investors with mainly income returns that are higher than cash with a high level of capital security. This is achieved primarily through exposure to a range of cash, fixed interest securities and mortgages. Investment Options 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.
<b>Cash</b>	Risk bands 1-2 (Very low to Low)	Less than 2 years	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.
<b>Term Deposits</b>	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
<b>Listed Australian shares</b>	Risk bands 6-7 (High to Very high)	Recommended for 6 years or more	To provide investors with growth to the value of their investments 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.
<b>Listed trusts including property trusts, LICs, LITs and ETFs</b>	Risk Bands 1-7 (Very Low to Very high)	As per underlying asset class	To provide investors with growth in the value of their investment, 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.
<b>Listed debt securities (including bonds, floating rate notes, convertible notes, hybrid securities and collateralised debt obligations)</b>	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 with a medium level of capital security. This is achieved primarily through exposure to a choice of debt securities listed on the ASX. Investments 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.

# 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 a managed fund holding is determined by the governing rules of the relevant fund manager and reflect the value of the underlying investments held by that fund. As the value of these underlying investments go up and down, so will the value of your managed fund holding.

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](http://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.

If you are dissatisfied with the Trustee's response (or have not received a response within 90 days), you may escalate your complaint to the Australian Financial Complaints Authority ('AFCA') by:

Calling: 1800 931 678  
 Emailing: [info@afca.org.au](mailto:info@afca.org.au)  
 Writing to: Australian Financial Complaints Authority  
 GPO Box 3 Melbourne VIC 3001  
 Visiting its website: [www.afca.org.au](http://www.afca.org.au)

AFCA is an independent body, set up to assist customers in the resolution of complaints relating to members of the financial services industry including super funds.

## 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](http://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](http://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 2001, 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 18, 275 Kent Street,  
 Sydney NSW 2000

or by contacting the SuperWrap Consultants on 1300 657 010.

# Financial information

## Retirement Wrap – SuperWrap

### Statement of Financial Position as at 30 June 2018

	2018	2017
	\$000	\$000
<b>Assets</b>		
Cash and cash equivalents	574,066	472,107
Unsettled sales	45,873	59,168
Accrued income	1,144,736	1,343,394
Receivables	0	4
Financial assets held at fair value through profit or loss	37,859,780	38,160,759
Other assets	68,609	64,932
<b>Total assets</b>	<b>39,693,064</b>	<b>40,100,364</b>
<b>Liabilities</b>		
Unsettled purchases	12,035	20,535
Payables	55,188	71,546
Income tax payable	26,701	51,581
Deferred tax liabilities	111,758	93,182
<b>Total liabilities (excluding member benefits)</b>	<b>205,682</b>	<b>236,844</b>
<b>Net assets available for member benefits</b>	<b>39,487,382</b>	<b>39,863,520</b>
Defined contribution member liabilities	39,487,382	39,863,520
<b>Total net assets</b>	<b>-</b>	<b>-</b>

## Retirement Wrap – SuperWrap

### Income Statement for the year ended 30 June 2018

	2018	2017
	\$000	\$000
<b>Superannuation activities</b>		
Interest income	132,241	150,453
Dividend income	198,369	199,619
Distribution income	1,776,545	1,996,995
Net gains/(losses) on financial instruments held at fair value through profit or loss	1,117,781	816,536
Other income	5,728	8,356
<b>Total net income</b>	<b>3,230,664</b>	<b>3,171,959</b>
Trustee's fees	30,942	30,552
Other expenses	230,399	245,107
<b>Total expenses</b>	<b>261,341</b>	<b>275,659</b>
<b>Profit/(loss) from superannuation activities before income tax</b>	<b>2,969,323</b>	<b>2,896,300</b>
Income tax expense/(benefit)	(58,637)	6,845
<b>Profit/(loss) from superannuation activities after income tax</b>	<b>3,027,960</b>	<b>2,889,455</b>
Less: net benefits allocated to defined contribution members' accounts	(3,027,960)	2,889,455
<b>Profit/(loss) after income tax</b>	<b>-</b>	<b>-</b>

This annual report contains unaudited abridged financial information for the financial year ended 30 June 2018 in relation to SuperWrap as part of Retirement Wrap (Fund). The full Retirement Wrap's audited financial statements and auditors report are available on request by contacting the SuperWrap Consultants on 1300 657 010.

### Tax operational Account

Movement	2018	2017	2016	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	64,932	66,563	115,814	90,964	60,627
Movement in account	3,677	(1,631)	(49,251)	24,850	30,337
Closing balance	68,609	64,932	66,563	115,814	90,964

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

## Retirement Wrap – SuperWrap

### Statement of changes in member benefits For the year ended 30 June 2018

	Member benefits \$'000
<b>Opening balance of member benefits as at 1 July 2017</b>	<b>39,863,520</b>
Employer contributions	567,478
Member contributions	633,350
Transfers from other funds	1,784,065
Superannuation co-contributions	1,165
Income tax on net contributions	(58,350)
<b>Net after tax contributions</b>	<b>2,927,708</b>
Benefit payments	(5,935,374)
Insurance premiums charged to members' account	(191,883)
Insurance benefit credited to members' account	55,260
Adviser fees	(259,809)
Net benefits allocated to members' accounts, comprising:	
Net benefits allocated to defined contribution members' accounts	3,027,960
<b>Closing balance of member benefits as at 30 June 2018</b>	<b>39,487,382</b>

### Statement of changes in member benefits For the year ended 30 June 2017

	Member benefits \$'000
<b>Opening balance of member benefits as at 1 July 2016</b>	<b>37,829,760</b>
Employer contributions	640,812
Member contributions	1,424,111
Transfers from other funds	2,706,702
Superannuation co-contributions	1,173
Income tax on net contributions	(72,358)
<b>Net after tax contributions</b>	<b>4,700,440</b>
Benefit payments	(5,141,638)
Insurance premiums charged to members' account	(188,835)
Insurance benefit credited to members' account	46,527
Adviser fees	(272,189)
Net benefits allocated to members' accounts, comprising:	
Net benefits allocated to defined contribution members' accounts	2,889,455
<b>Closing balance of member benefits as at 30 June 2017</b>	<b>39,863,520</b>

## For more information

[investorwrap.com.au](http://investorwrap.com.au)

1300 657 010

GPO Box 2337 Adelaide SA 5001

