



Creating financial independence since 1846

# Trustee's annual report to members as at **30 June 2013**

## IOOF Portfolio Service Superannuation Fund

### **Incorporating:**

AustChoice Super

Bendigo Financial Solutions

Financial Partnership Portfolio Service

IOOF Portfolio Service

IOOF LifeTrack

IOOF Pursuit Focus

IOOF Pursuit Select

IOOF Pursuit Core

Spectrum Super

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## Important information

This report is issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021 AFS Licence No. 230524 as Trustee of IOOF Portfolio Service Superannuation Fund ABN 70 815 369 818 (Fund).

The information in this report is general information only and does not take into account your financial circumstances, needs and objectives. Before making any decision based on this report, you should assess your own circumstances or seek advice from a financial adviser. You should obtain and consider a copy of the Product Disclosure Statement available from us or your financial adviser before you acquire a financial product. The information is given in good faith and is believed to be accurate and reliable at the time of publication. IIML provides no assurance that the Fund will continue to be available in the future.

# Message from the Trustee



I am pleased to present the following Trustee's annual report to investors in the IOOF Portfolio Service Superannuation Fund (Fund) for the year ending 30 June 2013. This report has been prepared by IOOF Investment Management Limited as Trustee of the Fund ('IIML' or 'Trustee').

Within the report you will find general information about the Fund, including abridged financial statements and changes to the Fund that have occurred during the 2012/13 financial year.

On behalf of the board of Trustee directors, thank you for your ongoing support.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized initial 'C' followed by a series of horizontal strokes.

**Christopher Kelaher**

Managing Director

IOOF Investment Management Limited

as Trustee of the IOOF Portfolio Service Superannuation Fund

# Government reforms in superannuation

## Changes and new developments in superannuation

### Minimum annual payments for account-based pensions

In recent years, the former Government has provided relief from the minimum drawdown percentages for account based pensions, in recognition of the impact of the Global Financial Crisis.

For the 2013/14 year and later years, the minimum percentages revert to the standard rates as follows:

Age	Minimum annual pension payment as a percentage of account balance (%)
Under 65	4.00
65-74	5.00
75-79	6.00
80-84	7.00
85-89	9.00
90-94	11.00
95 and over	14.00

Standard payment factors are also used for term allocated pensions, instead of the reduced amounts which applied from the 2008/09 year until the 2012/13 year.

## SuperStream

SuperStream is a package of reforms which will make the superannuation system easier to use and ultimately reduce costs - benefiting funds, members and employers.

Broadly, SuperStream involves moving the superannuation industry from paper-based processing to mandatory electronic transactions. Transferring superannuation savings between funds, for example, will be completed by transferring data and money electronically. In addition, the Australian Taxation Office (ATO) will verify fund data and member identity, thus eliminating the need for members to provide certified copies of documents to the fund as proof of identity. Individuals can also use the ATO online portal SuperSeeker to request a full rollover of benefits from one fund to another, either by using the paper forms or the electronic portability form.

All Australian Prudential Regulation Authority (APRA) regulated funds will be required to comply with these requirements by 1 January 2014.

All large and medium employers are expected to start sending contributions in a standard electronic format by 1 July 2014, and all small employers are expected to implement this standard by 1 July 2015. This new standard will remove the need to submit this information to separate funds in different paper formats. Contributions will be allocated to member accounts more quickly using this electronic process.

## APRA levy

Commonwealth costs associated with the implementation of the SuperStream measures will be paid for by an increase to the existing APRA levy imposed on APRA regulated funds. The levy will collect a total of \$467 million from funds between 2012/13 and 2017/18.

The APRA levy will be adjusted each year based on the applicable rate determined by the Government, the number of members in the Fund and the total assets of the Fund.

The Trustee has determined to recoup the cost of the levy from members of the Fund, each year until 2017/18. The SuperStream levy amount payable by members for the 2012/13 financial year and deducted from your account on 11 December 2012 was \$7.11. This fee was deducted on a flat fee basis from all members' accounts in the Fund regardless of their account balance.

The levy amount payable for the 2013/14 financial year will be disclosed in the Product News section on the website.

## MySuper

MySuper is a low-cost, default superannuation investment option that is made up of a single, diversified strategy and a basic default insurance benefit. From 1 January 2014, members who have not selected an investment option, or have selected a default investment option will have their future contributions paid into MySuper.

Any existing investments in the trustee or employer default investment option will transition into MySuper prior to 1 July 2017.

## Fees

Since 1 July 2013, general fee rules have applied to all APRA regulated superannuation funds. These new rules are:

- a prohibition on entry fees
- the cost of financial product advice (other than intra-fund advice) being charged to the member as an advice fee
- all fees (other than administration fees and investment fees) being charged on a cost recovery basis.

## Website information

Legislative and regulatory changes mean that certain information must be made publicly available on each fund's website. This may include information relating to the investment performance of each investment option (including the MySuper option) and the fees and costs relating to each option. It may also include information about the trustees or directors of the trustee board and various documents relating to the fund, such as the trust deed.

## Member benefit protection

The member benefit protection rules required funds to protect account balances under \$1,000 by reducing or waiving fees in certain circumstances. These rules were repealed on 1 July 2013 so that all fees will be applied in full for 2013/14 and later years.

## Increased tax on concessional contributions for very high income earners

In broad terms, individuals with income above \$300,000 per annum will pay an additional 15 per cent on concessional contributions made on or after 1 July 2012. The ATO will calculate the liability and issue a notice of assessment and a release authority so that the amount of the assessment can be released from the individual's super fund to make the payment to the ATO.

There is a specific definition of 'income' for these purposes and the calculations to determine an individual's tax liability are very complex.

## Concessional contributions cap

The concessional contributions cap is the limit on the amount of concessional contributions you can make each year before you pay extra tax.

The concessional contributions cap for most individuals for the 2013/14 year is \$25,000. However, from 1 July 2013, if you are 59 years old or over on 30 June 2013, the cap increased from \$25,000 to \$35,000.

From 1 July 2014, the higher \$35,000 cap will also apply to individuals who are 49 years or older on 30 June 2014.

## Exceeding the concessional contributions cap

If your contributions in the 2012/13 year exceeded the cap by no more than \$10,000, you may be able to have your excess contributions refunded and assessed at your marginal tax rate, instead of being taxed at a total of 46.5 per cent.

Contributions which exceed the relevant cap in 2013/14 and later years will be included in your assessable income and taxed at your marginal tax rate. You will also be liable for an excess concessional contributions charge. To take into account the 15 per cent tax paid by your fund on the excess contributions, you will receive a non-refundable tax offset equal to the amount of tax paid. You can also elect to have your excess concessional contributions released from your superannuation fund which will result in those amounts not being counted towards your non-concessional contributions cap.

The taxation rules relating to concessional and non-concessional contributions caps are complex and change from time to time.

## Increase in Superannuation Guarantee rate

The rate of Superannuation Guarantee (SG) contributions will increase gradually between 1 July 2013 and 1 July 2019. The following table shows the rate for each year from the 2013/14 year.

Year	Rate (%)
2013/14	9.25
2014/15	9.50
2015/16	10.00
2016/17	10.50
2017/18	11.00
2018/19	11.50
2019/20	12.00

## Trans-Tasman retirement savings portability

From 1 July 2013 it is possible to transfer superannuation benefits between Australian APRA-regulated funds and New Zealand KiwiSaver schemes. The Trustee is now able to transfer member benefits to a KiwiSaver scheme if a member has left Australia and permanently emigrated to New Zealand. It is not compulsory for members to move their benefits. A form is available from the relevant client services team for members wishing to use this facility.

The Trustee is unable at this stage to accept benefits from a KiwiSaver scheme in respect of individuals who have migrated to Australia from New Zealand.

## Intra-fund consolidation

The intra-fund consolidation measures were deferred in the 2012/13 year and will now apply from 1 July 2013. Trustees are required to identify members with multiple superannuation accounts within the Fund and to consolidate those accounts where it is in the best interests of the members to do so. This consolidation is required on an annual basis, with the first consolidation occurring before 1 July 2014.

## Auto-consolidation (inter-fund consolidation)

The former Government's proposal to allow auto-consolidation of members' lost and inactive low balance accounts with their active accounts has been deferred to an unspecified date in the future.

## Superannuation co-contributions

Reductions apply to the co-contributions scheme, for personal contributions made from 1 July 2012. The reductions in the matching rate and upper threshold, are shown in the following table:

Year in which contributions made	Maximum entitlement	Matching rate %	Lower income threshold	Upper income threshold
2011/12	\$1,000	100	\$31,920	\$61,920
2012/13	\$500	50	\$31,920	\$46,920
2013/14	\$500	50	\$33,516	\$48,516

## Employer contributions without a tax file number

Legislation has not yet passed to give effect to the former Government's proposal to require funds to report and forward employer contributions received for employees with no tax file number to the ATO.



## Superannuation fund notification of contributions

The former Government's proposals to report contributions to members electronically when received by the Fund, or on six monthly statements, which were due to start on 1 July 2013, have been delayed until further notice.

## Payslip reporting of superannuation contributions

The former Government's proposal to require employers to report on payslips when the actual superannuation contributions were made for an employee has been delayed until further notice.

## ATO online portal (SuperSeeker)

The ATO has upgraded its SuperSeeker website so that it is now part of an individual's online portal. Individuals can view all the super data the ATO holds for them, as well as other tax information. Currently individuals can view on Superseeker:

- Accounts that have received contributions within the last two years
- Lost super
- ATO held super – including unclaimed super money, SG contributions paid to the ATO, Government co-contributions.

From 1 January 2014 new information will be available:

- Information about contributions and balances for all super accounts, including defined benefits; pensions; and accounts that have not received contributions.
- Whether the account has insurance cover.

## Operational Risk Financial Reserve

Under legislative requirements applying from 1 July 2013, trustees are required to maintain adequate financial resources to address losses arising from operational risk. Trustees must determine the target amount to be set aside for these purposes, based on guidelines provided by APRA. The target amount must be achieved by the end of a three year period. The Trustee has determined that in order to reach its target for the Fund, an amount up to 0.083 per cent of each member's balance will be deducted annually during the 2013/14 year and the following two financial years. Should an operational risk event occur post 1 July 2013, additional deductions against each member's balance may be required to restore the Operational Risk Financial Reserve back to the target amount.

# Changes to the IOOF Portfolio Service Superannuation Fund during 2012/13

## Changes to the Trust Deed

Changes were made to the Trust Deed during the 2012/13 financial year to provide for the offering of a MySuper product within the Fund.

A copy of the current Trust Deed is available to members upon request by calling our client services team or may be inspected by arrangement during business hours at the office of the Trustee.

## Changes to the product range

### **Product disclosure statements**

#### **Spectrum Super**

IIML issued a Product Disclosure Statement (PDS) on 1 December 2012 for Spectrum Super super and pension products. IIML also issued updated PDSs for the following Spectrum Super sub-plans: Medical & Associated Professions Superannuation Fund, the Bendigo and Adelaide Bank Staff Superannuation Plan, and the JR Superannuation Fund.

IIML also issued a Supplementary PDS on 1 July 2013 for Spectrum Super super and pension products and the following Spectrum Super sub-plans: Medical & Associated Professions Superannuation Fund, the Bendigo and Adelaide Bank Staff Superannuation Plan and the JR Superannuation Fund.

#### **AustChoice Super**

IIML issued a PDS for AustChoice Super super and pension products on 1 December 2012.

IIML also issued a Supplementary PDS for AustChoice Super on 1 July 2013.

## IOOF Pursuit

IIML issued PDSs on 1 December 2012 for:

- IOOF Pursuit Focus Personal Super
- IOOF Pursuit Focus Allocated Pension
- IOOF Pursuit Select Personal Super
- IOOF Pursuit Select Allocated Pension
- IOOF Pursuit Select Term Allocated Pension

## IOOF Portfolio Service

IIML issued PDSs on 1 October 2012 for:

- IOOF Portfolio Service Employer Superannuation
- IOOF Portfolio Service Corporate Superannuation

IIML issued PDSs on 1 April 2013 for:

- IOOF Portfolio Service Personal Superannuation
- IOOF Portfolio Service Allocated Pension

IIML issued Supplementary PDSs on 1 July 2013 for:

- IOOF Portfolio Service Employer Superannuation
- IOOF Portfolio Service Corporate Superannuation

## Financial Partnership Portfolio Service

IIML issued a PDS for Financial Partnership Portfolio Service – Employer Superannuation on 1 October 2012.

IIML also issued a Supplementary PDS for Financial Partnership Portfolio Service – Employer Superannuation on 1 July 2013.

## IOOF LifeTrack

IIML issued PDS for:

- IOOF LifeTrack Employer Superannuation (1 October 2012)
- IOOF LifeTrack Corporate Superannuation (1 October 2012)
- IOOF LifeTrack Cashback Pension (1 April 2013)

IIML also issued a Supplementary PDS for:

- IOOF LifeTrack Employer Superannuation (1 July 2013)
- IOOF LifeTrack Corporate Superannuation (1 July 2013)
- IOOF LifeTrack Cashback Pension on (9 August 2013)

## Product updates

### Spectrum and AustChoice Super - Change of trustee of the MPST

Questor Financial Services Limited ABN 33 078 662 718 retired as the Trustee of the SMF Master Pooled Superannuation Trust ABN 68 641 771 312 (MPST) on 30 June 2013 and IIML was appointed the Trustee of the Fund.

### Spectrum and AustChoice Super – Addition of non-binding death benefit nominations

From 1 January 2014 members will have the option to either elect a binding or non-binding death benefit nomination. A binding death benefit nomination means the Trustee must pay member's benefit to the dependant(s) and/or Legal Personal Representative nominated in the proportions that were set out in the nomination.

A non-binding death benefit nomination means the Trustee will take into account the member's request when determining how to pay the benefit.

A valid binding death benefit nomination remains in effect for three years from the date it was first signed, last amended or confirmed. If a binding death benefit nomination expires it will be considered a non-binding death benefit nomination.

## Fees

### Changes to the Member Advice Fee – Once-Off

#### Name change

Effective 1 December 2012, a new name has been introduced for the Member Advice Fee – Once-Off. This is to align the name of the fee across our range of products for Financial Partnership Portfolio Service, IOOF Portfolio Service, IOOF LifeTrack, IOOF Pursuit Focus, IOOF Pursuit Select, and IOOF Pursuit Core. This change is in name only; we have not introduced an additional fee.

Old name	New name
Member Advice Fee – Once-Off	Member Advice Fee – One-Off

Please note that the new name was reflected in member communications/statements (if applicable).

#### Removal of once-off restriction

Effective 1 December 2012, the restriction that prevented the Member Advice Fee – One-Off (formerly known as 'Member Advice Fee – Once-Off') being deducted more than once in any 12 month period has been removed. This applies to Financial Partnership Portfolio Service, IOOF Portfolio Service, IOOF LifeTrack, IOOF Pursuit Focus, IOOF Pursuit Select and IOOF Pursuit Core.

### Changes to the Portfolio Management Fee

Effective 1 July 2013, a new name has been introduced for the Portfolio Management Fee for Spectrum Super, Medical & Associated Professions Superannuation Fund, the Bendigo and Adelaide Bank Staff Superannuation Plan, JR Superannuation Fund and AustChoice Super.

Old name	New name – Employer Super	New name – Personal Super and Pension
Portfolio Management Fee	Adviser Service Fee	Member Advice Fee – Ongoing

## Introduction of member advice fees

Effective 29 November 2013, the following optional fees are available for members to select the most appropriate remuneration arrangements with their financial adviser.

Fee	IOOF Pursuit Select	IOOF Pursuit Focus	IOOF Pursuit Core	IOOF LifeTrack	IOOF Portfolio Service
<b>Member Advice Fee - Upfront</b>	Up to a maximum of 5.5% (inclusive of GST) of the initial and each subsequent contribution				
<b>Member Advice Fee - Ongoing</b>	Up to a maximum of 2.2% pa (inclusive of GST) of the account balance and/or up to a maximum of \$1,500 per month (inclusive of GST)				
<b>Member Advice Fee – One-Off</b>	Up to \$11,000 per request (inclusive of GST)				
<b>Member Advice Fee – Insurance</b>	Up to a maximum of 50% pa (inclusive of GST) of the insurance premium (for each type of cover) or up to a maximum of \$1,500 per month (inclusive of GST)				
<b>Member Advice Fee – Licensee</b>	Up to a maximum of 1.1% pa (inclusive of GST) of the account balance or up to a maximum of \$750 per month (inclusive of GST)			n/a	Up to a maximum of 1.1% pa (inclusive of GST) of the account balance or up to a maximum of \$750 per month (inclusive of GST)
<b>Member Advice Fee – Transaction</b>	Up to a maximum of \$110 (inclusive of GST) per listed investment buy or sell order	n/a	n/a	n/a	n/a

\* Includes sub plans Medical & Associated Professions Superannuation Fund, the Bendigo and Adelaide Bank Staff Superannuation Plan and JR Superannuation Fund.

IOOF Portfolio Service Wholesale	Financial Partnership Portfolio Service	Bendigo Financial Solutions	AustChoice Super	Spectrum Super*
			Up to a maximum of 2.2% pa (inclusive of GST) of the account balance and/or up to a maximum of \$18,000 pa (inclusive of GST)	
			Up to a maximum of 50% pa (inclusive of GST) of the insurance premium (for each type of cover) or up to a maximum of \$18,000 pa (inclusive of GST)	
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a

## Changes to the Withdrawal Fee

Effective 1 January 2014, the withdrawal fee (charged for partial withdrawals) has been increased from \$60.00 to \$75.00 for Spectrum Super, Medical & Associated Professions Superannuation Fund and the JR Superannuation Fund.

Effective 1 January 2014, the withdrawal fee (charged for partial withdrawals) has been increased from \$30.75 to \$75.00 for the Bendigo and Adelaide Bank Staff Superannuation Plan.

Effective 1 January 2014, a withdrawal fee (charged for partial withdrawals) of \$75.00 will apply for AustChoice Super.

## Termination Fee

Effective 1 January 2014, the termination fee has been increased from \$61.50 to \$75.00 for the Bendigo and Adelaide Bank Staff Superannuation Plan.

Effective 1 January 2014, a termination fee of \$75.00 will apply for AustChoice Super.

## Closure of products

The following products were closed to new applications:

- IOOF Portfolio Service Term Allocated Pension (31 March 2013)
- IOOF Pursuit Core Personal Superannuation (1 July 2013)
- IOOF Pursuit Core Allocated Pension (1 July 2013)
- IOOF Portfolio Service Personal Superannuation (1 July 2013)
- IOOF Portfolio Service Allocated Pension (1 July 2013)



## Changes to investment options

As Trustee, we regularly monitor the investment options available to members in the Fund. This section outlines the underlying investment options that have been added and removed from the Fund's investment menus during 2012/13. Any investment option currently available may not continue to be available in the future. If we remove an investment option from the Fund, we may transfer your investments in the investment option that is no longer available to another investment option of the Fund. We will attempt to notify you before this action is taken.

We make no recommendation regarding the investment options set out below and not all investment options are available for all products. If you require further information about investment options available through each product, please refer to the PDS of the investment option and relevant product, and speak to your financial adviser or our client services team.

### New investment options

APIR code	Investment option name
CSA0062AU	Aberdeen Diversified Fixed Income Fund
FSF1240AU	Acadian Global Managed Volatility Equity Fund
ETL0318AU	Alpha Alternatives Fund
ETL0329AU	Alpha Diversified Income Fund
ETL0319AU	Alpha Infrastructure Fund
HOW0026AU	Alphinity Wholesale Concentrated Australian Share Fund
AMP0255AU	AMP Capital Listed Property Trusts Fund - Class A Units
NML0061AU	AMP Capital Wholesale Australian Equity – Value Fund
PPL0110AU	Antares Australian Equities Fund (Professional Selection)
PPL0002AU	Antares Dividend Builder Fund
NFS0209AU	Antares Listed Property Fund (Professional Selection)
AAP0104AU	Ausbil Australian Emerging Leaders Fund
AUG0001AU	Australian Ethical Balanced Investment
AUG0019AU	Australian Ethical Larger Companies Trust - Class B Units
MAL0079AU	BlackRock Australian Equity Absolute Return Fund
MAL0072AU	BlackRock Australian Equity Opportunities Fund
BGL0105AU	BlackRock Indexed Australian Bond Fund
BGL0034AU	BlackRock Indexed Australian Equity Fund
BGL0108AU	BlackRock Indexed Australian Listed Property Fund
BGL0044AU	BlackRock Indexed Hedged International Equity Fund

APIR code	Investment option name
BAR0814AU	BlackRock Scientific Australian Equity Fund
BAR0813AU	BlackRock Scientific Diversified Growth Fund
BAR0811AU	BlackRock Scientific Diversified Stable Fund
BGL0045AU	BlackRock Scientific Global Markets Fund
PWA0822AU	BlackRock Wholesale Balanced Fund
BGL0105AU	BlackRock Wholesale Global Small Cap Fund (Class D Units)
MAL0133AU	BlackRock Wholesale Global Small Cap Fund (Class D Units)
RFA0815AU	BT Wholesale Active Balanced Fund
BTA0806AU	BT Wholesale Balanced Returns Fund
BTA0805AU	BT Wholesale Conservative Outlook Fund
BTA0313AU	BT Wholesale MidCap Fund
RFA0817AU	BT Wholesale Property Investment Fund
RFA0819AU	BT Wholesale Smaller Companies Fund
MLT0001AU	Challenger Guaranteed Income Fund - 5.30 cents p.a. 30 September 2017 (MV\$1)
HOW0059AU	Challenger Guaranteed Income Fund 7.20 cents p.a. 30 June 2014 (MV\$1)
HOW0095AU	Challenger Guaranteed Pension Fund - 30 June 2017
HOW0096AU	Challenger Guaranteed Pension Fund - 30 June 2021
FSF0002AU	Colonial First State Wholesale Australian Share Fund
FSF0454AU	Colonial First State Wholesale Colliers Global Property Securities Fund
FSF0033AU	Colonial First State Wholesale Conservative Fund
FSF0008AU	Colonial First State Wholesale Diversified Fund
FSF0170AU	Colonial First State Wholesale Geared Global Share Fund
FID0007AU	Fidelity Global Equities Fund
HHA0001AU	Hunter Hall Australian Value Trust
HHA0002AU	Hunter Hall Global Ethical Trust
GTU0041AU	Invesco Wholesale Global Property Securities Hedged - Class A Units
IML0002AU	Investors Mutual Australian Share Fund
IML0001AU	Investors Mutual Wholesale Australian Smaller Companies Fund
IML0003AU	Investors Mutual Wholesale Future Leaders Fund
AUX0021AU	IOOF Cash Management Trust Class D
LAZ0006AU	Lazard Australian Equity Fund - Class I Units
LAZ0014AU	Lazard Global Listed Infrastructure Fund
SSB0026AU	Legg Mason Australian Real Income Fund - Class A Units

APIR code	Investment option name
MAQ0059AU	Macquarie Master Capital Stable Fund
ADV0046AU	Maple-Brown Abbott Imputation Fund - Wholesale Units
ETL0041AU	MFS Fully Hedged Global Equity Trust
MIA0001AU	MFS Global Equity Trust
HOW0016AU	NovaPort Wholesale Smaller Companies Fund
AJF0802AU	OnePath Wholesale Balanced Trust
MMF0112AU	OnePath Wholesale Emerging Companies Trust
MMF0115AU	OnePath Wholesale Managed Growth Trust
PER0049AU	Perpetual Wholesale Australian Fund
PLA0001AU	Platinum European Fund
PLA0100AU	Platinum International Brands Fund
PVA0011AU	Prime Value Growth Fund
PBT0001AU	Profile 45
PBT0002AU	Profile 55
PBT0003AU	Profile 65
PBT0004AU	Profile 75
PBT0005AU	Profile 85
PBT0006AU	Profile 95
PBT0010AU	Profile Australian Shares
PBT0007AU	Profile Diversified Fixed Interest
PBT0008AU	Profile International Shares
PBT0009AU	Profile International Shares Hedged
TGP0008AU	RARE Infrastructure Value Fund
PAL0002AU	RREEF Paladin Property Securities Fund
SCH0102AU	Schroder Balanced Fund
SCH0028AU	Schroder Fixed Income Fund
SCH0047AU	Schroder Real Return Fund Wholesale Class
ETL0071AU	T.Rowe Price Global Equity Fund
TYN0028AU	Tyndall Australian Share Wholesale Portfolio
SBC0814AU	UBS Defensive Investment Fund
UBS0003AU	UBS Diversified Credit Fund
SBC0007AU	UBS Diversified Fixed Income Fund
UBS0041AU	UBS Tactical Beta Fund - Balanced

APIR code	Investment option name
UBS0036AU	UBS Tactical Beta Fund - Conservative
UBS0037AU	UBS Tactical Beta Fund - Growth
VAN0019AU	Vanguard® International Property Securities Index Fund (Hedged)
MAQ0557AU	Walter Scott Global Equity Fund (Hedged)
ZUR0517AU	Zurich Investments Hedged Global Thematic Share Fund

## Removed investment options

APIR code	Investment option name
VEN0006AU	All Star IAM Australian Share Fund
HOW0019AU	Alphinity Wholesale Australian Equity Fund
SLT0023AU	Aria Balanced Portfolio
SLT0025AU	Aria Growth Portfolio
SLT0024AU	Aria Moderate Portfolio
AUS0009AU	Australian Unity Investments Strategic Fixed Interest Trust - Wholesale Units
CSA0045AU	Bentham Professional Global Income Fund
CSA0046AU	Bentham Wholesale Syndicated Loan Fund
MAL0030AU	BlackRock Asset Allocation Alpha Fund Class D
BAR0803AU	BlackRock Scientific Diversified Growth PST
RFA0818AU	BT Wholesale Core Australian Share Fund
RFA0051AU	BT Wholesale Global Property Securities Fund
BTA0061AU	BT Wholesale Property Securities Fund
HOW0091AU	Challenger Guaranteed Income Fund - 5.30 cents p.a. 30 June 2014 (MV\$1)
HOW0089AU	Challenger Guaranteed Income Fund – 6.40 cents p.a. 30 April 2013 (MV\$1)
HOW0059AU	Challenger Guaranteed Income Fund - 7.20 cents p.a. 30 June 2014 (MV\$1)
CFM0404AU	Colonial First State Wholesale Australian Share – Core
MMC0110AU	EQT Intrinsic Value International Sharemarkets Fund
ETL0005AU	EQT SGH LaSalle Global Listed Property Securities Trust
ETL0030AU	EQT SGH Wholesale Absolute Return Trust
HOW0033AU	Five Oceans Wholesale China Share Fund
JBW0018AU	Goldman Sachs Enhanced Income Wholesale Fund
INT0022AU	Ibbotson Australian Shares Active Trust
INT0074AU	Ibbotson Australian Shares High Alpha Trust
INT0028AU	Ibbotson Balanced Growth Trust

APIR code	Investment option name
INT0030AU	Ibbotson Cash Trust
INT0034AU	Ibbotson Conservative Growth Trust
INT0038AU	Ibbotson Growth Trust
INT0040AU	Ibbotson High Growth Plus Trust
INT0080AU	Ibbotson International Bonds Active (Hedged) Trust
INT0077AU	Ibbotson International Property Securities (Hedged) Trust
INT0086AU	Ibbotson International Shares High Opportunities (Hedged) Trust
INT0069AU	Ibbotson International Shares High Opportunities (Unhedged) Trust
IML0004AU	Investors Mutual Industrial Share Fund
ASK1202AU	IOOF Blended Australian Geared Shares
ASK1203AU	IOOF Blended Australian Smaller Companies
ASK1204AU	IOOF Blended Global Shares
ASK1206AU	IOOF Defensive
ASK1207AU	IOOF Growth with Income
PAT0001AU	Ironbark Karara Australian Share Fund
LAZ0003AU	Lazard Emerging Markets Equity Fund
LAZ0002AU	Lazard Global Small Cap Fund (I Class)
SSB0125AU	Legg Mason Australian Core Equity Trust
MAQ0180AU	Macquarie Master Enhanced Fixed Interest Fund
MAQ0211AU	Macquarie True Index Fixed Interest Fund
MLC0260AU	MLC Wholesale Horizon 4 Balanced Portfolio
MMF0114AU	OnePath Wholesale Capital Stable Trust
ANZ0212AU	OnePath Wholesale Diversified Fixed Interest Trust
LEF0043AU	Optimix Wholesale Australian Share Trust – Class A Units
LEF0044AU	Optimix Wholesale Balanced Trust - Class A Units
LEF0047AU	Optimix Wholesale Global Share Trust – Class A Units
IOF0126AU	Perennial Partners Trust
PER0070AU	Perpetual Wholesale Property Securities Fund
ETL0116AU	PIMCO Diversified Fixed Interest Fund
ETL0017AU	PIMCO EQT Wholesale Emerging Markets Bond Fund
ETL0048AU	PIMCO Global CommodityRealReturn Fund - Class A Units
ETL0114AU	PIMCO Global Credit Fund
PLA0003AU	Platinum Japan Fund

APIR code	Investment option name
PGI0001AU	Principal Global Credit Opportunities Fund
PRE0001AU	Principal Property Securities Fund
RIM0009AU	Russell International Shares Fund - \$A Hedged - Class A Units
RIM0008AU	Russell International Shares Fund - Class A Units
CRS0007AU	SG Hiscock Wholesale Property Fund
ETL0003AU	SGH Professional Investor Listed Property Securities Trust
TGP0006AU	TAAM New Asia Fund
SBC0816AU	UBS Property Securities Fund
MAQ0290AU	Van Eyk Blueprint Balanced Fund
MAQ0291AU	Van Eyk Blueprint Capital Stable Fund
MAQ0292AU	Van Eyk Blueprint High Growth Fund
VEN0026AU	Ventura Australian Opportunities Fund – Class A
VEN0028AU	Ventura Diversified 50 Fund – Class A
VEN0027AU	Ventura Growth 70 Fund – Class A

### Listed share options

The majority of listed securities forming part of the ASX 300 index are available as listed share options.

# Investment managers

The following investment management companies manage the assets of the investment options within the Fund as at 30 June 2013:

Aberdeen Asset Management Limited
Acadian Asset Management (Australia) Limited
Acorn Capital Limited
Advance Asset Management Limited
AllianceBernstein Australia Limited
Alpha Fund Managers Pty Ltd
Alphinity Investment Management Pty Limited
AMP Capital Investors Limited
Antares Capital Partners Ltd
APN Funds Management Limited
Aspect Capital Limited
Ausbil Dexia Limited
Australian Ethical Investment Ltd
Australian Unity Investments
Bennelong Australian Equity Partners
Bentham Asset Management Pty Limited
BlackRock Asset Management Australia Limited
BlackRock Investment Management (Australia) Limited
BNP Paribas Investment Partners (Australia) Limited
Brandywine Global Investment Management
BT Investment Management (RE) Limited
BT Investment Management Limited
Celeste Funds Management Limited
Challenger Managed Investments Limited
Cohen & Steers Capital Management, Inc
Colonial First State Global Asset Management
Colonial First State Investments Limited
Credit Suisse Equities (Australia) Limited

Deutsche Australia Limited  
DFA Australia Limited  
Eley Griffiths Group Pty Limited  
Epoch Investment Partners, Inc  
FIL Limited  
Five Oceans Asset Management Pty Limited  
Franklin Templeton Investments Australia Ltd  
Global Thematic Partners LLC  
Goldman Sachs & Partners Australia Managed Funds Limited  
Hunter Hall Investment Management Limited  
Ibbotson Associates Australia Limited  
Independent Asset Management Pty Limited  
ING Investment Management Limited  
Integrity Investment Management Australia Limited  
Invesco Australia Ltd  
Investors Mutual Limited  
IOOF Investment Management Limited  
Kaplan Funds Management Pty Limited  
Kapstream Capital Pty Ltd  
Lazard Asset Management LLC.  
Lazard Asset Management Pacific Co  
Legg Mason Asset Management Australia Limited  
Macquarie Investment Management Limited  
Magellan Asset Management Limited  
Maple-Brown Abbott Limited  
MAPP Pty Ltd  
Merlon Capital Partners Pty Limited  
Metisq Capital Pty Ltd  
MFS Investment Management  
MLC Investments Limited  
NovaPort Capital Pty Limited  
OC Funds Management  
Orion Asset Management Limited



Parker Asset Management Limited
Pengana Capital Ltd
Perennial Investment Partners Limited
Perpetual Investment Management Limited
PI Investment Management Limited
PIMCO Australia Pty Limited
Plan B Trustees Limited
Platinum Asset Management
Platypus Asset Management Limited
Prime Value Asset Management Limited
RARE Infrastructure Limited
Realindex Investments Pty Limited
Russell Investment Management Ltd
Sandhurst Trustees Limited
Schroder Investment Management Australia Limited
Select Asset Management Limited
Sensible Asset Management Limited
Smallco Investment Manager Limited
Solaris Investment Management Limited
T. Rowe Price Global Investments Limited
Tribeca Investment Management Limited
Tyndall Investment Management Limited
UBS Global Asset Management (Australia) Limited
UBS Global Asset Management (Australia) Ltd
United Funds Management Limited
Value Partners Limited
van Eyk Research Limited
Vanguard Investments Australia Ltd
Ventura Investment Management Limited
Walter Scott & Partners Limited
Wellington Management Company, LLP
Winton Capital Management
Zurich Investment Management Limited

# General information

## About the Trustee

IIML has met all of the necessary APRA requirements to operate as a Trustee of the Fund. IIML also maintains its AFS Licence under the Corporations Act 2001.

We monitored our compliance with the relevant legislative requirements during 2012/13, and confirm that the Fund:

- is a resident regulated superannuation fund within the meaning of the Superannuation Industry (Supervision) Act 1993
- has not received a notice of noncompliance from APRA
- has not received a notice from APRA directing the Fund not to accept any contributions by an employer
- is able to accept SG contributions from employers
- complies with the minimum insurance cover requirements for Choice of Superannuation funds as set out in the Superannuation Guarantee (Administration) Regulations 1993

The Trustee has effected and maintains in force professional indemnity insurance to protect the interests of members.

## Directors of the Trustee

Dr Roger Neil Sexton (Chairman)

Ms Jane Margaret Harvey

Mr Ian Gregory Griffiths

Mr George Venardos

Mr Christopher Francis Kelaher

Mr Kevin William White

## Policy committees

This section applies to members of Spectrum Super, Medical & Associated Professions Superannuation Fund, the Bendigo and Adelaide Bank Staff Superannuation Plan, JR Superannuation Fund, and AustChoice Super only.

A policy committee may be established for an employer-sponsored fund. A policy committee's role is to provide an avenue for members and employers to make enquiries about the investment strategies and performance of the employer-sponsored fund. The Trustee may use the policy committee as a forum for providing information to members and employers as well as to assist the Trustee to deal with complaints or enquiries about the employer-sponsored fund's operation or management.

The Trustee will take reasonable steps to set up a policy committee and to ensure that equal numbers of employer and member representatives are on the committee. Detailed information about how to establish a policy committee will be sent to all members from the Trustee if they request this in writing. Details of policy committees, including members' names and how they were appointed and by whom, are provided to members upon joining the employer-sponsored fund and every year within the member's annual statement.

## Eligible rollover fund

An eligible rollover fund (ERF) is a fund designed to accept super accounts from other funds, where the Trustee of the other fund is unable to adequately provide for small account holders. ERFs are designed to offer a stable investment environment in which members with low account balances can have their funds invested with some protection from fees usually applied to actively managed accounts.

We may roll over your benefit to an ERF in the event that:

- you joined as a standard employer sponsored member more than two years ago and we have not received any contributions or rollover amounts in the last five years
- we have never had a correct address from you, or we have written two consecutive communications to you and had them returned unclaimed - in such circumstances, we will consider you to be a lost member
- you are a member of an employer plan and you leave that employer plan without nominating another fund for your balance
- your account balance falls below \$2,000
- you decide to seek the return of your initial investment (refer to 'cooling off' section in the relevant PDS) and either:
  - you do not notify us of a recipient fund for the receipt of your benefits (if necessary)
  - the nominated fund does not accept the transfer.

Once your benefit is rolled into the ERF, you will no longer be a member of, nor entitled to claim any benefit from the Fund. Your insurance cover ceases and any remuneration payable from your account to a financial adviser will also cease.

The Trustee has selected the following ERFs for the Fund:

### Spectrum Super and AustChoice Super

SMF Eligible Rollover Fund (SMF ERF)

GPO Box 529

Hobart TAS 7001

Phone: 1800 677 306

### All other products within the Fund

The Australian Eligible Rollover Fund (AERF)

Jacques Martin Administration & Consulting

Locked Bag 5429

Parramatta NSW 2124

Phone: 1800 677 424

Being transferred to the SMF ERF or AERF may affect your super benefits for the following reasons:

- You will become a member of the relevant ERF and be subject to its governing rules.
- The relevant ERF will apply a different fee structure.
- Neither of the ERFs offer insurance benefits in the event of death, total and permanent disablement or temporary disablement.
- The SMF ERF invests your benefit in a low-risk strategy, which may affect the rate of return credited to your account. You should evaluate whether this strategy is appropriate for your specific circumstances.
- The AERF invests your benefit in a single strategy with a balanced growth objective. The objective is to achieve industry average five year gross returns for balanced growth fund managers. No investment choice is available.

Please note that the ERFs are subject to investment risk which means you may receive back less than your original investment when withdrawn.

Before transferring your benefits to an ERF, we attempt to communicate with you and provide you with an option to nominate another fund. If you become a lost member, whether or not your benefit has been transferred to an ERF, you will be able to trace your benefit through the ATO SuperSeeker online search at [www.ato.gov.au/super](http://www.ato.gov.au/super) or by contacting the ATO on 13 28 65.

# Trustee's investment objective and strategy

The Trustee provides members with an extensive choice of investment options to meet their super and retirement planning needs. The investment options are intended to allow members to make choices that match their individual circumstances, diversify their portfolio and match their investment risk and return profile. It is recommended that you consult your financial adviser prior to selecting the investment options that you would like to invest in and the investment strategy suitable to your objectives.

As part of our range of investment options, we offer specific ethical investments. As Trustee of the Fund, we do not currently take into account labour standards, environmental, social or ethical considerations when selecting, retaining or removing fund managers and managed investments from the list of available investments. The investment guide available for each product under the Fund contains detailed information about the range of investment strategies, objectives, and options that you can select, depending on the product you invest in. To obtain more information on the investment strategy and objectives for each product and investment option, please refer to the PDS for the particular product and investment option. It is recommended that you consult your financial adviser prior to selecting the product and investment options that you would like to invest in and the investment strategy suitable to your objectives.

**Important note:**

Information about the management costs of each of the investment options are contained in the relevant PDS, a copy of which can be obtained by calling our client services team, or from our relevant website. Current asset allocations can be obtained at any time. A paper copy of updated information will be provided free of charge on request.

# Abridged financial statements

Set out below are the abridged financial statements detailing the Fund's financial transactions for the year ending 30 June 2013.

If you would like to obtain a copy of the full audited fund financial statements and related audit reports for the year (free of charge), please contact our client services team or email us.

The auditor has issued an unqualified opinion in respect of the financial statements.

<b>Extract of accounts for the year ended 30 June</b>	<b>2013 (\$'000)</b>	<b>2012 (\$'000)</b>
<b>Revenue</b>		
Investment income	1,894,782	(120,301)
Sundry income	69,767	76,202
Employer contributions	728,351	754,335
Member contributions	278,289	272,524
Transfers from other funds	759,973	526,815
<b>Total revenue</b>	<b>3,731,162</b>	<b>1,509,575</b>
<b>Expenses</b>		
Benefits paid	1,799,016	1,594,028
Management fees	170,653	135,148
General administration expenses	4,582	1,152
Group life and salary continuance premiums	96,707	87,276
Superannuation contributions surcharge	(3)	215
Income tax expense	134,508	64,691
<b>Total expenses</b>	<b>2,205,463</b>	<b>1,882,510</b>
Increase in members' funds	1,525,699	(372,935)
Balance brought forward	12,894,685	13,267,620
<b>Members' funds</b>	<b>14,420,384</b>	<b>12,894,685</b>
<i>Represented by</i>		
<b>Assets</b>		
Investments	13,979,332	12,446,462
Cash and cash equivalents	207,859	179,359
Sundry debtors	171,954	151,127
Deferred tax asset	103,682	164,665
<b>Total assets</b>	<b>14,462,827</b>	<b>12,941,613</b>
<b>Liabilities</b>		
Creditors and accruals	26,457	19,813
Income tax payable	15,986	27,115
<b>Total liabilities</b>	<b>42,443</b>	<b>46,928</b>
<b>Net assets</b>	<b>14,420,384</b>	<b>12,894,685</b>
<b>Members' funds</b>	<b>14,420,384</b>	<b>12,894,685</b>

## Reserves

Reserves represent timing differences between net revenue and taxes in the operating statement and amounts allocated to members' accounts. These amounts may be allocated to members in future years in a fair and equitable basis. Reserves are predominantly retained in cash and cash equivalents.

The reserve levels for the past two years are as follows:

Reserves	2013 (\$'000)	2012 (\$'000)
Opening balance	60,485	51,439
Transfer to reserves	9,743	9,046
Closing balance	70,228	60,485

## Concentration of assets of the Fund

As at 30 June 2013, the following underlying investments exceeded 5 per cent of the total assets of the Fund:

### Investment

- SMF Master Pooled Superannuation Trust
- IOOF MultiMix Balanced Growth Trust

The Trustee acknowledges that, as a result of the discretion which can be exercised by account holders, individual accounts may have a greater than 5 per cent exposure to a single investment.

Further, the Trustee acknowledges that when considered in aggregate (across all managed fund options in which the Trustee holds assets on behalf of members of the Fund), the Fund may be construed as having a total exposure to a single shareholding (or to a composite interest in the investment assets of a single issuer) and this exposure may exceed 5 per cent of the total value of Fund assets.

## Indirect Management Costs applying to the Cash Account (not applicable to AustChoice Super and Spectrum Super)

The Cash Account is invested in a combination of an operating bank account (for day-to-day transactions) and in the IOOF/Perennial Cash and Income Fund ARSN 087 727 277 (Cash and Income Fund), for which we are the Responsible Entity.

Interest generated by these investments is reduced by bank fees and charges (applicable to the operating bank account) and management costs charged by us, as the responsible entity of the Cash and Income Fund, for managing the assets of the Cash and Income Fund before it is credited to the Cash Account.



As at 30 June 2013, the indirect management cost is shown below. This cost is indirectly borne by members.

	%
Bendigo Financial Solutions	0.60
Financial Partnership Portfolio Service	0.60
IOOF Portfolio Service	0.60
IOOF LifeTrack	0.63
IOOF Pursuit Focus	0.60
IOOF Pursuit Select	0.60
IOOF Pursuit Core	0.60

## Derivative policy

Derivatives may be used in accordance with the investment strategy and objectives of the Fund and at the investment option level in order to:

- to protect the investment from upward or downward movements in rates or prices through hedging
- protect funds from the range of market risks
- change the overall asset allocation in a timely manner without exposure to the timing and liquidity constraints or higher transaction costs associated with the physical market
- permit ongoing management of funds invested during periods of uncertainty where liquidity is not available in the physical market
- minimisation of transaction costs associated with spread on physical market transactions
- facilitating switching between asset classes or as an alternative to physical investment

Derivatives will not be used to gear funds, for speculative purposes or trading.

The investment managers of the underlying funds which members elect to invest in may use derivatives such as options, futures, swaps. The Trustee has controls and procedures in place relating to the investment managers' derivative use in order to ensure that it is suitable to the Trustee's and its members' own investment strategies and objectives.

## Allocation of earnings into members' accounts

Earnings from a particular investment of the Fund will be allocated into the members' accounts in proportion to the member's interest in the investment.

# Contact us

## Trustee

### **IOOF Investment Management Limited**

ABN 53 006 695 021 | AFS Licence No. 230524

**Registered address** Level 6, 161 Collins Street, Melbourne VIC 3000

**Postal address** GPO Box 264, Melbourne VIC 3001

## Client services

### **AustChoice Super**

**Telephone:** 1800 333 900

**Postal Address:** GPO Box 529, Hobart TAS 7001

**Fax:** (03) 6215 5933

**Email:** [info@austchoice.com.au](mailto:info@austchoice.com.au)

**Website:** [www.austchoice.com.au](http://www.austchoice.com.au)

### **Bendigo Financial Solutions**

**Telephone:** 1800 070 100

**Postal Address:** GPO Box 264, Melbourne VIC 3001

**Fax:** 1800 558 539

**Email:** [bendigo\\_client\\_services@ioof.com.au](mailto:bendigo_client_services@ioof.com.au)

**Website:** <https://bendigo.portfolioonline.com.au>

### **Financial Partnership Portfolio Service**

**Telephone:** 1800 000 137

**Postal Address:** GPO Box 264, Melbourne VIC 3001

**Fax:** 1800 558 539

**Email:** [financial\\_partnership@ioof.com.au](mailto:financial_partnership@ioof.com.au)

**Website:** [www.ioof.com.au](http://www.ioof.com.au)

### **LifeTrack**

**Telephone:** 1800 062 963

**Postal Address:** GPO Box 264, Melbourne VIC 3001

**Fax:** 1800 558 539

**Email:** [clientservices@ioof.com.au](mailto:clientservices@ioof.com.au)

**Website:** [www.ioof.com.au](http://www.ioof.com.au)

## Optus

**Telephone:** 1800 144 222  
**Postal Address:** GPO Box 264, Melbourne VIC 3001  
**Fax:** 1800 558 539  
**Email:** [optussuper@ioof.com.au](mailto:optussuper@ioof.com.au)  
**Website:** <https://optus.portfolioonline.com.au>

## Flight Centre

**Telephone:** 1800 653 894  
**Postal Address:** GPO Box 264, Melbourne VIC 3001  
**Fax:** 1800 558 539  
**Email:** [flightcentresuper@ioof.com.au](mailto:flightcentresuper@ioof.com.au)  
**Website:** <https://flightcentre.portfolioonline.com.au>

## IOOF Portfolio Service

**Telephone:** 1800 062 963 or 1800 653 894 (for Corporate and Employer)  
**Postal Address:** GPO Box 264, Melbourne VIC 3001  
**Fax:** 1800 558 539  
**Email:** [clientservices@ioof.com.au](mailto:clientservices@ioof.com.au)  
**Website:** [www.ioof.com.au](http://www.ioof.com.au)

## Pursuit Select, Pursuit Core and Pursuit Focus

**Telephone:** 1800 062 963  
**Postal Address:** GPO Box 264, Melbourne VIC 3001  
**Fax:** 1800 558 539  
**Email:** [clientservices@ioof.com.au](mailto:clientservices@ioof.com.au)  
**Website:** [www.ioof.com.au](http://www.ioof.com.au)

## Spectrum Super

**Telephone:** 1800 333 500  
**Postal Address:** GPO Box 529, Hobart TAS 7001  
**Fax:** (03) 6215 5933  
**Email:** [info@spectrumsuper.com.au](mailto:info@spectrumsuper.com.au)  
**Website:** [www.spectrumsuper.com.au](http://www.spectrumsuper.com.au)

### **MAP Super**

**Telephone:** 1800 009 921  
**Postal Address:** GPO Box 529, Hobart TAS 7001  
**Fax:** (03) 6215 5933  
**Email:** [info@spectrumsuper.com.au](mailto:info@spectrumsuper.com.au)  
**Website:** [www.mapsuper.com.au](http://www.mapsuper.com.au)

### **JR Super**

**Telephone:** (07) 3222 8444  
**Postal Address:** GPO Box 529, Hobart TAS 7001  
**Fax:** (07) 3221 7779  
**Email:** [accountant@jr.com.au](mailto:accountant@jr.com.au)  
**Website:** [www.jr.com.au/superannuation](http://www.jr.com.au/superannuation)

### **Bendigo and Adelaide Bank Staff Super**

**Telephone:** 1800 787 372  
**Postal Address:** GPO Box 529, Hobart TAS 7001  
**Fax:** (03) 6215 5933  
**Email:** [staff.super@bendigobank.com.au](mailto:staff.super@bendigobank.com.au)  
**Website:** [www.bendigostaffsuper.com.au](http://www.bendigostaffsuper.com.au)

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