SuperWrap

Prepare for the best.

BT Super Investment Insurance Advice

Annual Report

for the year ending
30 June 2017

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About this Annual Report

This annual report dated 15 December 2017 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 2017. This report provides you with updates on product and regulatory changes that may affect your superannuation, as well as financial and other important information.

The financial year started with markets navigating largely unknown territory. From the UK Brexit vote to the elections of US president, Donald Trump, and French president, Emmanuel Macron, markets reacted by initially slumping, but later rebounding to record levels.

Interest rates increases, uncertainty around the US government's promised tax cuts and infrastructure spending, plus future unknowns like Brexit may lead to increased volatility during 2018. More positively, we expect markets to continue rising, supported by an overall improving global economy. Higher corporate profitability, central banks stimulating economies at the same time, and optimistic business and consumer confidence are likely to be the major drivers.

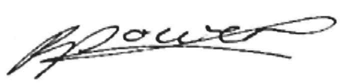
We remain committed to supporting you and your adviser to plan for your best retirement. During the past year we have delivered the following improvements:

- a new online pension amendment tool
- automatic life insurance enhancements to provide members with even more comprehensive cover. These include enhanced medical definitions and terminal illness benefit
- a new retirement income calculator to estimate the impact of changes in contributions or investment strategies on your retirement income. It's easy to use and can take into account variables such as your partner's income, investment returns, planned career breaks and desired retirement age
- shortened processing turnaround times for key transactions
- 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, Platforms & Investments
BT Financial Group
For and on behalf of the Trustee of SuperWrap

Changes to superannuation that may affect you

1. 2017/18 superannuation thresholds

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

Concessional contributions cap	$25,000
Non-concessional contributions cap	$100,000[1]
Capital Gains Tax (CGT) Cap (lifetime limit)	$1,445,000
Government Co-contributions:	
> Maximum co-contribution[2]	$500
> Lower threshold	$36,813
> Upper threshold (cut off)	$51,813
Superannuation Guarantee (SG) rate[3]	9.5%
Low rate cap	$200,000

1 If you were under age 65 on 1 July 2017 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.

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.

2. Non-Concessional Contributions cap reduced

From 1 July 2017, the non-concessional contributions cap has reduced to $100,000 (from $180,000). If your total super balance is $1.6 million or more on 30 June of the previous financial year, your non-concessional contributions cap will be nil.

If you were under age 65 on 1 July of a financial year and satisfy other conditions, you may be eligible to utilise bring-forward arrangements to allow you to make larger non-concessional contributions over a two or three year period.

If you were under age 65 on 1 July 2017 and had a total super balance of less than:

- $1.4m, you may be able to make non-concessional contributions of up to $300,000 over a three year period.
- $1.5m, you may be able to make non-concessional contributions of up to $200,000 over a two year period.

If you triggered the bring-forward arrangements in the 2015/16 or 2016/17 financial years and have not contributed your full bring-forward amount before 1 July 2017, transitional arrangements apply to reduce your non-concessional contributions cap. If this applies to you, we recommend you refer to the ATO or seek professional advice to determine your non-concessional contributions cap.

3. Concessional contributions cap reduced

From 1 July 2017, the concessional contributions cap has reduced from $30,000 (or $35,000 for individuals over age 49) to $25,000 per financial year, irrespective of age.

From 1 July 2019, if your total super balance is less than $500,000 on 30 June of the previous financial year, your concessional contributions cap will be increased by the total unused amounts of your concessional contributions cap from the previous 5 years. You commence accumulating unused cap amounts from 1 July 2018.

4. Reduced division 293 tax threshold

The threshold for division 293 tax has been reduced from $300,000 per annum to $250,000 per annum from 1 July 2017.

If your combined adjusted taxable income[1] and concessional contributions to superannuation (less excess concessional contributions) exceeds the $250,000 threshold in a financial year, you will have an additional 15% tax imposed on the lesser of:

- the amount of your combined adjusted taxable income and concessional contributions (excluding excess concessional contributions) above $250,000, or
- your concessional contributions less your excess concessional contributions.

5. Transfer balance cap

From 1 July 2017, you can only invest up to your transfer balance cap in superannuation income streams that are in the retirement phase (this generally includes income streams that receive an earnings tax exemption). The transfer balance cap will be set at $1.6 million for the 2017/18 financial year and will be indexed to CPI each year rounded down to the nearest $100,000. Amounts in excess of your transfer balance cap will need to be removed from your income stream(s) and may attract additional taxes and charges.

To keep track of your transfer balance cap and the amounts that are added and deducted from your cap, the ATO will create a transfer balance account for you:

- when you first commence a superannuation income stream that is eligible for an earnings tax exemption on or after 1 July 2017, or
- on 1 July 2017 if you had one or more existing superannuation income streams that are eligible for an earnings tax exemption.

Modifications to your transfer balance cap may also apply in certain circumstances including where you have made personal injury contributions to superannuation or if you are a child death benefit beneficiary. Special rules also apply to certain types of income streams such as lifetime, term and market-linked income streams. We recommend you refer to the ATO or seek professional advice to determine your transfer balance cap.

6. Changes to the tax treatment of Transition to Retirement (TTR) income streams

From 1 July 2017, earnings on your investments within a transition to retirement income stream are taxed at a maximum rate of 15% until you have reached age 65 or notified the trustee that you have satisfied one of the following prescribed conditions of release:

- retiring after reaching preservation age
- becoming permanently incapacitated
- suffering from a terminal medical condition.

You'll no longer be able to maintain your TTR account when you turn 65, or notify us that you've met a prescribed condition of release.

This means, when you turn 65, or we're notified that you have met a prescribed condition of release, we'll move your benefit to a pension account and close your TTR account.

Once your benefit has been moved to a pension account:

- your investment earnings will be exempt from tax,
- all your details (including your death benefit nomination) will be applied to your pension account, and
- your account balance will count towards your $1.6 million transfer balance cap.

7. Low Income Super Tax Offset (LISTO)

The Low Income Superannuation Tax Offset (LISTO) is a government superannuation payment that applies in relation to concessional contributions made on or after 1 July 2017.

You may be entitled to receive a LISTO payment of up to $500 in respect of your concessional contributions made to superannuation in 2017/18 or a later financial year if your adjusted taxable income[1] for the financial year is less than $37,000. Other conditions apply. For further details refer to the ATO website at ato.gov.au.

Note that Low Income Superannuation Contributions (LISCs) will not be payable in respect of concessional contributions made on or after 1 July 2017. LISC will continue to be paid for eligible individuals until 30 June 2019 in respect of concessional contributions made in financial years 2012/13 to 2016/17 inclusive.

1 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.

8. Eligibility for Government co-contributions

From 1 July 2017, to be eligible to receive a government co-contribution in respect of personal contributions made to your super, you:

- must have a total super balance less than the transfer balance cap ($1.6 million for 2017/18) as at 30 June of the previous financial year, and
- must not have made contributions above your non-concessional contributions cap for the financial year.

All other existing eligibility criteria remain unchanged. For further details refer to the ATO website at ato.gov.au.

9. Tax deductions for personal contributions

If you are aged under 75, you may be able to claim an income tax deduction for personal superannuation contributions made on or after 1 July 2017, regardless of your employment status. Previously, this tax deduction was only available to persons who were not employed or who were substantially self-employed.

If you are a member of a Commonwealth public sector superannuation scheme, a constitutionally protected fund (CPF), or certain other funds that offer defined benefit interests, you may not be eligible to claim a deduction for personal contributions you make to these funds.

10. Extending the spouse tax offset

From 1 July 2017, the spouse tax offset income threshold has increased to $37,000 (from $10,800). You may be able to claim up to the maximum tax offset amount of $540 for contributions made to your spouse's super fund where your spouse's income is equal to or below this threshold. The tax offset amount you may be entitled to will gradually reduce for income above this threshold and completely phases out when your spouse's income reaches $40,000 (from $13,800).

In addition, from 1 July 2017, you will not be entitled to the tax offset if your spouse:

- exceeds their non-concessional contribution cap for the relevant financial year, or
- has a total superannuation balance equal to or greater than the transfer balance cap ($1.6 million for 2017/18) as at 30 June of the previous financial year.

All other existing eligibility criteria remain unchanged. For further details refer to the ATO website at ato.gov.au.

11. 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 member. An anti-detriment payment represents a refund of contributions tax paid on all contributions made to the fund by the member since joining the fund.

12. Superannuation death benefit payments can be rolled over

From 1 July 2017, eligible beneficiaries are able to transfer superannuation death benefits or death benefit income streams to another provider to commence a death benefit income stream, however cannot combine this benefit with other superannuation monies.

Eligible beneficiaries include 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.

13. Tax on Departing Australia Superannuation Payments

From 1 July 2017, tax will be withheld at a rate of 65% from the taxable component of a Departing Australia Superannuation Payment (DASP) paid to a departed temporary resident who held a working holiday maker visa and received superannuation contributions while they held the visa. Existing tax treatment continues to apply to all other DASPs. Refer to the ATO website at ato.gov.au for further details.

Proposed changes to superannuation

The Federal Government announced a number of changes to superannuation in the 2017 Federal Budget.

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

Medicare Levy increase

From 1 July 2019, the Medicare Levy is proposed to increase to 2.5% (from 2%) to ensure that the National Disability Insurance Scheme is fully funded.

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

Income payments

For the 2017/18 financial year, the tax payable on income payments you receive from your pension will no longer include the Temporary Budget Repair (TBR) Levy where applicable.

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 not include the TBR Levy.

From 1 July 2017 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 $200,000[3]: Nil	Nil
	Above $200,000[3]: a rate of 17% (including the Medicare Levy)	
60 or over	Tax-free	Nil

Death benefits paid on or after 1 July 2017 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 $200,000 for 2017/18, indexed to AWOTE rounded down to the nearest $5,000 in subsequent years.

First Home Super Saver Scheme

From 1 July 2018, individuals will be 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.

Up to $15,000 of voluntary contributions made in a financial year count towards the amount that can be released. The maximum amount that can be released is $30,000 of personal contributions plus an associated deemed earnings amount.

Concessional (before tax) contributions and earnings that are withdrawn will be taxed at marginal tax rates, less a 30% tax offset.

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 disposal of your main residence. You will need to notify your superannuation provider that the contribution is a downsizer contribution at the time of making the contribution.

Qualifying downsizer contributions will be exempt from the contributions caps.

You will need to seek professional advice about whether your contributions qualify under these rules.

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 2017, the value of members':

- Cash Accounts, which are invested in one or more underlying bank accounts at Westpac Banking Corporation, represents 9.52% of the total assets of SuperWrap
- units in managed funds managed by Mosaic Portfolio Advisers Limited represents 7.48% of the total assets of SuperWrap
- units in managed funds managed by Advance Asset Management Limited represents 6.88% of the total assets of SuperWrap
- units in managed funds managed by Vanguard Investments Australia Limited represents 5.30% of the total assets of SuperWrap.

The above values are accurate as at 30 June 2017, 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 2017.

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	
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 2-3 (low to low medium)	Recommended for 2-3 years or more	To provide investors with growth over rolling 2-3 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 2-3 (low to low medium)	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 5 to 6 (medium high to high)	Recommended for 5-6 years or more	To provide investors with income and some growth to the value of their investments over rolling 5-6 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 high)	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 3-4 (Low medium to Medium high)	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 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.
Hedge Funds (Alternative)[1]	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. 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.

Sector specific managed investment strategies			
	Standard risk measure	**Time frame**	**Investment objective**
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 1-7 years or more	To provide investors with growth in the value of their investment over rolling 1-7 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 3-6 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 Financial Position as at 30 June 2017

	2017 $'000	2016 $'000
Assets		
Cash and cash equivalents	472,107	573,631
Unsettled sales	59,168	66,111
Accrued income	1,343,394	1,238,959
Receivables	4	579
Investments	38,160,759	35,971,123
Other assets	64,932	66,563
Total Assets	**40,100,364**	**37,916,966**
Liabilities		
Unsettled purchases	20,535	15,614
Payables	71,546	65,117
Income tax payable	51,581	(40,886)
Deferred tax liabilities	93,182	51,854
Total liabilities (excluding member benefits)	**236,844**	**91,699**
Net assets available for member benefits	**39,863,520**	**37,825,267**
Member benefits		
Defined contribution member liabilities	39,863,520	37,825,267
Total member liabilities	**39,863,520**	**37,825,267**
Total net assets	**-**	**-**

Retirement Wrap – SuperWrap

Income Statement for the year ended 30 June 2017

	2017 $'000	2016 $'000
Superannuation activities		
Interest income	150,453	173,070
Dividend income	199,619	210,780
Distribution income	1,996,995	1,645,872
Net changes in the fair value of investments	821,029	(1,250,580)
Other income	8,356	7,111
Total net income	**3,176,452**	**786,253**
Expenses		
Trustee's fees	30,552	28,778
Other expenses	245,107	236,755
Total expenses	**275,659**	**265,533**
Profit/(loss) from superannuation activities before income tax	**2,900,793**	**520,720**
Income tax expense/(benefit)	**6,845**	**(147,800)**
Profit/(loss) from superannuation activities after income tax	**2,893,948**	**668,520**
Less: Net benefits allocated to defined contribution members' accounts	(2,893,948)	(668,520)
Profit/(loss) after income tax	**-**	**-**

This annual report contains unaudited abridged financial information for the financial year ended 30 June 2017 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	2017 $'000	2016 $'000	2015 $'000	2014 $'000	2013 $'000
Opening balance	66,563	115,814	90,964	60,627	47,478
Movement in account	(1,631)	(49,251)	24,850	30,337	13,149
Closing balance	64,932	66,563	115,814	90,964	60,627

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 Benefit
For the year ended 30 June 2017

	Member benefits $'000s
Opening balance as at 1 July 2016	**37,825,267**
Employer contributions	640,812
Member contributions	1,424,111
Transfers from other funds	2,706,702
Superannuation co-contributions	1,173
Total contributions	**4,772,798**
Benefit payments	(5,141,638)
Insurance premiums charged to members' accounts	(188,835)
Insurance benefit credited to members' accounts	46,527
Adviser fees	(272,189)
Income tax on net contributions	(72,358)
Net benefits allocated to members' accounts:	2,893,948
Closing balance as at 30 June 2017	**39,863,520**
Opening balance as at 1 July 2015	**36,709,462**
Employer contributions	613,290
Member contributions	1,183,348
Transfers from other funds	3,022,271
Superannuation co-contributions	1,332
Total contributions	**4,820,241**
Benefit payments	(3,918,991)
Insurance premiums charged to members' accounts	(174,363)
Insurance benefit credited to members' accounts	33,987
Adviser fees	(267,392)
Income tax on net contributions	(46,198)
Net benefits allocated to members' accounts payments:	668,521
Closing balance as at 30 June 2016	**37,825,267**

Super
Investment
Insurance
Advice

For more information

investorwrap.com.au

SuperWrap
GPO Box 2337
Adelaide SA 5001

1300 657 010 from 8.00am to 6.30pm

enquiry@investorwrap.com.au

BTx1456C-1217px