MACQUARIE

Annual report to members for the year ended 30 June 2013

Macquarie Super and Pension Manager
Macquarie Super and Pension Consolidator
Macquarie Super Accumulator

Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281

FORWARD thinking

Contents

Macquarie Super and Pension Consolidator together with Macquarie Super and Pension Manager and Macquarie Super Accumulator (collectively known as Macquarie Wrap Super) form part of a superannuation fund known as the Macquarie Superannuation Plan RSE R1004496.

The Trustee for the superannuation fund is Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281 (MIML, Macquarie, the Trustee, we, us).

MIML has appointed Bond Street Custodians Limited (BSCL) ABN 57 008 607 065 AFSL 237489 to hold the Fund's investments in custody. BSCL and MIML are wholly owned subsidiaries of Macquarie Bank Limited ABN 46 008 583 542. MIML is not an authorised deposit-taking institution for the purposes of the *Banking Act 1959* (Cth), and MIML's obligations do not represent deposits or other liabilities of Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MIML.

Investments in Macquarie Wrap Super, other than Macquarie term deposits, are not deposits with or other liabilities of Macquarie Bank Limited or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested.

Neither Macquarie Bank Limited, MIML, Macquarie Life Limited ABN 56 003 963 773 AFSL 237497, any other investment managers referred to in this annual report, nor any other member company of the Macquarie Group guarantees the performance of Macquarie Wrap Super or the repayment of capital from Macquarie Wrap Super.

The information contained in this annual report is dated 9 December 2013 and is general information only. We have not taken into account your objectives, financial situation or needs. You should consider the appropriateness of this information, taking into account your objectives, financial situation and needs, and the applicable Product Disclosure Statement (PDS) available from us or your adviser, before acting on any of the information in this annual report.

Welcome

9 December 2013

Dear Member,

Welcome to the annual report for Super and Pension Manager, Super and Pension Consolidator and Super Accumulator (Macquarie Wrap Super) for the year ended 30 June 2013.

This annual report provides you with general information about the management and financial position of the Macquarie Wrap Super division of the Macquarie Superannuation Plan (the Fund), a legislative update and details of matters concerning the investments in the Fund (such as overall asset allocation). This report should be read with your Annual Statement for the year ended 30 June 2013, which gives details of your benefits in the Fund.

It's been a year of change in the Australian superannuation landscape with a number of reforms introduced by the Federal Government to further strengthen the efficiency and governance of the superannuation industry. We have addressed these reforms to ensure we meet our regulatory obligations. As part of this, the board of the Fund's Trustee comprises a majority of independent directors from 1 July 2013 and the Fund meets the SuperStream data and e-commerce standard required to process rollovers electronically.

The 2013 financial year included a new cycle of economic momentum which was a refreshing change from the challenging conditions that confronted both the global economy and financial markets in previous years. Concerns about the euro area sovereign debt crisis had abated, with the region now showing signs of a fledging expansion; the US began to improve confidence in the developed world through its recovering housing sector; and Japan's adoption of ambitious economic reflation policies late in the 2013 financial year rounded out the positive momentum in the developed world for the year. However, growth momentum in the key emerging economies slowed as there were signs of increased structural deficiencies, particularly in the Brazil, Russia, India, China and South Africa (BRICS) economies.

The Australian economy took a leg down in growth over 2013 given the peak in resource-related activity and the absence of a pickup in other sectors, such as housing construction and household consumption. Households continue to save more and borrow less, despite the Reserve Bank of Australia's efforts to lower interest rates and stimulate activity in the rate-sensitive sectors. Inflation remained exceptionally low and unemployment, while at historically low levels, trended upwards over the period.

We hope you will find this year's annual report informative and we thank you for your ongoing support.

If you have any questions about this annual report or about Macquarie Wrap Super in general, please contact your adviser.

Yours sincerely,

Tony Graham

Executive Director
Banking and Financial Services Group

This annual report includes information on:

- **Super Manager, Super Consolidator and Super Accumulator,** accumulation superannuation products, and
- **Pension Manager and Pension Consolidator,** both retirement income solutions incorporating an account-based pension and (for Pension Manager) Term Allocated Pension. References to Pension Manager can be interpreted as references to both Pension Manager and Term Allocated Pension Manager.

The abridged financial statements relate to the entire Macquarie Superannuation Plan (the Fund), which includes Macquarie Wrap Super, Macquarie SuperOptions and the Insurance Only Division – a risk only superannuation fund.

The financial year in review[1]

The global economy

In a pleasing departure from the trend of recent years, the 2013 financial year was not marked by mid-year economic growth scares in the major economies. In fact, economic conditions in the key developed economies continued to recover over the course of the 2012–13 year. By way of contrast, growth momentum in the key emerging economies slowed as there were signs of increased structural deficiencies, particularly in the BRICS economies.

US economic data released over the 2013 financial year indicated that the economy continued on its path of gradual recovery, but growth in employment continued to lag the performance of previous economic recoveries. Nevertheless, there are several good reasons to believe that the gradual US recovery will continue: the housing sector is continuing to recover, business investment appears to be picking up and the shale/oil gas boom is providing a long-term boost to the US economy.

Europe continued to be burdened by sporadic flare-ups regarding debt and financial system sustainability, high unemployment rates and widening negative gaps between actual and potential output. Greece, Italy, Spain, Cyprus and Portugal all contributed to periodic concerns about macroeconomic instability in the region. European measures to deal with the crisis reached a critical point in the 2012–13 year and culminated with a policy by the European Central Bank (ECB) to do 'whatever it takes' to defend the Euro. These measures were successful in stabilising business and investor sentiment in the region and have contributed to a decline in the fat tail risks that had afflicted the region.

In Asia, the latter part of the 2012–13 year was characterised by a sharp divergence in growth prospects between China and Japan. Chinese growth weakened under the burden of difficult export market conditions, a crack-down on rampant speculation in residential property construction and arbitrary attempts to curtail the growth of the 'shadow' banking sector. In contrast, Japan's adoption of ambitious economic reflation policies in April 2013, which were termed 'Abenomics', have resulted in a strong rebound in economic growth and are successfully combating the deflation psychology that has afflicted the economy for nearly two decades. Late in the 2012–13 year, some Association of South East Asian Nations (ASEAN) economies were subject to sizeable capital outflows as global investors became increasingly concerned about external financial imbalances and structural growth constraints in the region with the initial shift in capital flows being driven by expectations of a wind-back in the US Federal Reserve's quantitative easing asset purchase program.

[1] The information provided in this review is based on information as at 30 June 2013 and is derived from sources that are believed to be reliable at that time.

The Australian economy

The Australian economic story continued to evolve over the 2013 financial year. There were further signs that resource-related investment (Australia's primary driver of growth) had passed its peak, while evidence of accelerating growth outside of the mining sector remained patchy. The inclination for households to save more and borrow less remained strong, while Australian businesses across the board executed cost-cutting initiatives in an attempt to boost profits and expand margins given the lack of top-line sales growth and the persistent strength in the Australian dollar.

Inflation had remained exceptionally low and unemployment, while at historically low levels, had trended upwards (rising 0.6 basis points to 5.8 per cent over the year to June 2013). Given this, the clear challenge that faced policymakers was to underpin domestic demand in both the housing and consumption sectors. The Reserve Bank of Australia (RBA) lowered its policy rate by 0.75 basis points to 2.75 per cent over the period to June 2013. This provided a boost to housing activity, although the pickup in activity from this sector was still below what had been seen in previous easing cycles.

Slower Chinese growth had also been cited as a downside risk to the Australian outlook over the year. But given the new focus for resources companies (cutting costs rather than maximising production), the Australian economy has become less vulnerable to weaker Chinese demand now than it has been in recent years.

Going forward, rather than looking offshore for explanations of weaker growth, we think the main challenges reside domestically. These are the desire of households to save more and borrow less, the clear focus of companies to cut costs and boost efficiency rather than ramp up investment and increase staffing, and also the desire of the Australian Government to return its budget towards surplus.

These headwinds provide a clear rationale for the central bank to continue cutting interest rates, and there are more signs that policymakers recognise the magnitude of the challenges ahead. A sizeable fall in the Australian dollar will also support profits and, eventually, growth. There are some reasons to be more optimistic; however, the next 12 months will be challenging for the Australian economy.

Asset class performance

The 2013 financial year presented a change in global investor appetite, namely from safe haven and high-yielding assets to those assets more closely associated with capital growth. This transition in investor demand was driven by the expectation that unconventional monetary policy espoused by key central banks would soon come to an end given the improving global macroeconomic backdrop.

The leading measure of global shares performance, the MSCI World (ex Australia) Accumulation Index, returned an impressive 19.6 per cent for the period. The Australian share-market also rallied in line with the global trend over the year. The S&P/ASX 200 Accumulation Index returned 17.3 per cent for the year to 30 June 2013. The rigorous cost-cutting initiatives implemented by many of the listed Australian companies saw profits rise despite the ongoing weakness in consumer spending and persistent strength of the Australian dollar earlier in the period.

In terms of the money market, the RBA lowered the cash rate on three occasions throughout the year as global growth concerns intensified. The cash rate fell from 3.50 per cent in July 2012 to 2.75 per cent in June 2013. Likewise, 90-day bank bills fell, opening at 3.50 per cent and closing 66 basis points lower at 2.84 per cent. Yields for 180-day bank bills also fell, opening at 3.46 per cent before falling 60 basis points to close at 2.86 per cent.

Given the increasing likelihood that the US Federal Reserve would taper its quantitative easing program on the back of better economic momentum, investors began shifting their money out of longer duration fixed income assets. Over the year to 30 June 2013, 10-year US government bond yields rose 82 basis points to 2.48 per cent while in Australia yields rose 68 basis points to 3.76 per cent, despite the RBA's easing of the cash rate.

Listed property (both global and Australian) continued to recover well over the 2013 financial year. Locally, the S&P/ASX 200 Property Accumulation Index returned 24.2 per cent, while global listed property returned 9.5 per cent. The improved yield of listed property ensured a healthy demand for the asset class, particularly earlier in the period when the US Federal Reserve's quantitative easing program was not expected to be tapered.

Investment strategies and asset allocation

The Trustee formulates and gives effect to investment strategies and objectives for the Fund. These strategies and objectives take into account the whole of the circumstances of the Fund, including investment risk, diversification, liquidity and the ability of the Fund to discharge liabilities. The Trustee has placed restrictions on certain investments designed to reduce the potential for large losses by encouraging diversification, adequate liquidity, and satisfying regulatory requirements. In line with our obligations, the Trustee reviews these strategies and applicable limits on an ongoing basis. Please contact your adviser for further information on these limits or refer to the relevant Product Disclosure Statement (PDS).

Macquarie Wrap Super allows you to spread your super or pension account across many investment strategies, choosing from a range of investment options and product issuers. Generally, these strategies fall into one of the following categories:

Category	Investment strategies
Sector-specific investments	• Cash • Fixed interest • Hybrid securities • Property • Australian shares • International shares • Absolute return
Multi-sector managed investments	• Conservative • Balanced • Growth
Approved Australian Securities Exchange (ASX) listed securities (Super and Pension Manager/Consolidator only)	Approved ASX-listed securities

The combination of investments you choose will be based on your individual circumstances. Information on the individual investment options can be found in the relevant PDS available on ClientView or from your adviser. You should consider the PDS before deciding to invest in, or switch between, investment options.

Investment strategy	Cash	Fixed interest	Hybrid securities
Objective	Stable returns over the short-term with a high level of capital security.	Higher returns than cash over the short to medium-term, predominantly via income.	Higher returns than traditional fixed interest investments over the medium-term, predominantly via income.
Strategy	Wholesale deposits with authorised deposit-taking institutions (ADIs) and short-term money market securities and fixed interest securities with maturities of less than 12 months. Enhanced cash investments may hold securities with maturities greater than 12 months. The Cash Account may invest in a wholesale bank deposit.	Term deposits with authorised deposit-taking institutions (ADIs), Government, semi-government, corporate, inflation-linked bonds and money market securities. Exposure to emerging markets, high yield debt and mortgages is also permissible. Diversified investments may hold a range of Australian and international securities. Mortgage investments primarily hold mortgage backed securities.	Subordinated corporate debt, high yield corporate bonds, convertible notes, convertible preference shares, mezzanine and emerging markets debt.
Potential return	Low	Moderate	Moderate/high
Potential risk	Low	Moderate	Moderate/high
Suggested minimum timeframe	No minimum	3 years	5 years
Key risks	Returns may fluctuate, but capital security is high. The value of cash investments may be eroded by inflation over the long-term. Securities with longer dated maturities increase the chance of negative returns in the short-term.	Returns may be volatile in the short-term. Over the long-term, inflation may erode the value of fixed interest investments. Emerging markets, high yield debt and mortgage securities increase the chance of negative returns in the short-term.	Returns may be volatile in the medium-term. Hybrid securities are generally of lesser credit quality and are more likely to default. There is a high risk of negative returns over the short-term, resulting from a revaluation of securities.
Sub-category[2]	• Cash • Enhanced	• Australian • International • Diversified • Mortgages • Term deposits	Not applicable

[2] These refer to the sub-categories into which the Trustee has divided the investment menu, designed to assist you and your adviser select the appropriate investment option.

Investment strategy	Property	Australian shares	International shares
Objective	Returns consistently higher than inflation via income and capital growth.	High returns over the long-term, via income and capital growth.	High returns over the long-term, predominantly via capital growth.
Strategy	Property trusts and property-related securities listed on the ASX. Investments may also include unlisted property securities and direct property investments.	Shares and other securities primarily listed on the ASX. Investments may focus on specific sectors such as small companies or infrastructure assets. Leveraged investments use gearing to enhance returns. Specialist investments adopt differentiated strategies.	Shares and other securities primarily listed on stock exchanges across the globe including USA, Japan, Europe, Asia and emerging markets. Investments may focus on specific sectors, themes or geographical regions. Leveraged investments use gearing to enhance returns. Specialist investments adopt differentiated strategies. Exposure to foreign currency may be hedged or unhedged.
Potential return	Moderate/high	High	High
Potential risk	High	High	High
Suggested minimum timeframe	5 years	6 years	8 years
Key risks	Returns may be volatile in the medium-term. Unlisted and direct property investments are more volatile because reduced liquidity, investment gearing and limited diversification increase risk.	Returns may be volatile. Sector-specific, leveraged and specialist investments are more volatile because of limited diversification. Gearing and specialist investment strategies increase risk.	Returns may be volatile. Currency fluctuations further increase volatility for unhedged investments. Regional, sector specific, leveraged and specialist investments are more volatile because of limited diversification. Gearing and specialist strategies increase risk.
Sub-category[2]	• Australian • International • Diversified	• Industrial and resources • Small companies • Leveraged • Specialist	• Global • Regional • Sector specific • Leveraged • Specialist

Investment strategy	Conservative	Balanced	Growth
Objective	Stable returns over the short to medium-term via income and capital growth.	Moderate returns over the medium to long-term via income and capital growth.	High returns over the long-term via income and capital growth.
Strategy	A diversified mix of income assets such as money market, fixed interest securities, and growth assets such as property and shares. The weighting to growth assets will generally not exceed 33%. May include absolute return, private equity and other alternative investments.	A diversified mix of income assets such as money market, fixed interest securities, and growth assets such as property and shares. The weighting to growth assets will generally fall between 33% and 67%. May include absolute return, private equity and other alternative investments.	A diversified mix of income assets such as money market, fixed interest securities, and growth assets such as property and shares. The weighting to growth assets will generally exceed 67%. May include absolute return, private equity and other alternative investments.
Potential return	Moderate	Moderate/high	High
Potential risk	Moderate	Moderate/high	High
Suggested minimum timeframe	3 years	5 years	7 years
Key risks	Returns may be volatile in the short-term. Over the long-term, inflation may erode the value of conservative investments. The higher the exposure to growth assets the higher the risk.	Returns may be volatile in the medium-term. The higher the exposure to growth assets the higher the risk.	Returns may be volatile in the long-term. The higher the exposure to growth assets the higher the risk.
Sub-category	Not applicable	Not applicable	Not applicable

[2] These refer to the sub-categories into which the Trustee has divided the investment menu, designed to assist you and your adviser select the appropriate investment option.

Investment strategy	Absolute return	Approved ASX-listed securities
Objective	Returns not correlated with traditional investment benchmarks.	High returns over the long-term via income and capital growth.
Strategy	Different absolute return investments adopt different strategies. Common strategies include the use of financial derivatives, gearing, security arbitrage, event driven investments and macroeconomic themes. Security selection will depend on the strategy, or combination of strategies, adopted by each investment manager.	Securities listed on the ASX, including shares, trusts, listed investment companies, exchange traded funds and instalment warrants.
Potential return	High	Very high
Potential risk	High	Very high
Suggested minimum timeframe	8 years	9 years
Key risks	Returns may be volatile in the long-term. Even though absolute return investments target consistent returns they are generally less regulated than other managed investments and more dependent upon the skill of individuals.	Returns may be volatile. Even though ASX-listed securities may produce high long-term returns, the returns of individual securities can vary significantly from the performance of the market as a whole. Limited diversification and investments in small companies and derivative securities can further increase risk.
Sub-category	Not applicable	Not applicable

Asset allocation

The table below shows how the Fund is invested across different asset classes.

Asset class	30/06/2012	30/06/2013
Cash[3]	31.0%	26.8%
Commodities	0.0%	0.1%
Australian equities	34.9%	36.8%
International equities	13.6%	15.5%
Australian fixed interest	6.9%	6.9%
International fixed interest	5.4%	6.0%
Property	4.8%	4.5%
Other	3.4%	3.4%
Total	**100%**	**100%**

Through a Super and Pension Manager or Super and Pension Consolidator account, you can invest in a number of different term deposits, managed investments and approved ASX-listed securities. Super Accumulator allows you to invest in a range of managed investments.

If a managed fund invests across a number of asset classes, we will treat the asset allocation based on a 'look through basis' using the managed fund's individual asset allocations.

The asset allocation for each managed fund is determined by the investment managers and provided either by the investment managers directly or from a third party.[4]

Asset allocations can vary over time within ranges specified by the individual product issuers. Information on the asset allocation ranges for the individual investment options can be found in the PDSs.

Investment returns

You should refer to your Annual Statement for the year ended 30 June 2013 for details of investment performance relating to your chosen investments.

[3] Includes term deposits.

[4] All asset allocations in this document were current at the time of publishing.

Financial Assistance Levy

In the second half of 2012, the Federal Government announced further financial assistance to compensate members of four superannuation funds that were formerly under the trusteeship of Trio Capital Limited. The Financial Assistance Levy 2012–13 (Levy) has been granted under the *Superannuation Industry (Supervision) Act 1993* and levied on all Australian Prudential Regulation Authority (APRA) regulated superannuation funds. As the Macquarie Superannuation Plan is regulated by APRA, the Fund is required to pay a proportional part of this Levy. The Levy was debited from accounts in July 2013.

The APRA levy

To fund the costs associated with implementation of the Government's SuperStream reforms, a temporary 'SuperStream levy' is imposed on APRA regulated superannuation funds from 1 July 2012 until 30 June 2018.

As the Fund is regulated by APRA, the next levy instalment will be debited from members' accounts no later than December 2013.

Legislative updates

The following superannuation-related measures were either enacted by Parliament during the 2012–13 financial year, or recently proposed by the Government:

Concessional contributions cap

A higher concessional contributions cap of $35,000 will apply in 2013–14 for individuals age 59 and over at 30 June 2013. All other individuals will be subject to the general concessional contributions cap of $25,000 in 2013–14.

For 2014–15 and later financial years, the $35,000 concessional contributions cap will apply for all individuals age 49 and over at 30 June of the previous financial year. The general concessional contributions cap will apply for all other individuals.

Government co-contribution

The matching rate for the Government co-contribution was reduced to 50 per cent, with a maximum co-contribution of $500 from 1 July 2012.

In 2013–14, the maximum co-contribution is payable where income is below $33,516, with no co-contribution payable where income exceeds $48,516.

Low income superannuation contribution

The Government has proposed to remove the low income superannuation contribution (LISC) from 1 July 2013. If legislated, the LISC will only be payable to eligible individuals in respect of concessional contributions made in the 2012–13 financial year. At the time of writing, legislation enacting this change had not been tabled in Parliament.

Contributions tax for high income earners

From 1 July 2012 an additional tax of 15 per cent will be applied to certain employer contributions and personal contributions claimed as a tax deduction, that, when added to an individual's taxable income and certain other amounts, exceed a threshold of $300,000.

Concessional contributions that exceed the concessional contributions cap will not be subject to the additional 15 per cent tax – excess contributions tax arrangements will apply.

The additional 15 per cent tax is levied on the individual, not the superannuation fund, but all or part of the tax may be withdrawn from the Fund.

Refund of excess concessional contributions

From 1 July 2013 all excess concessional contributions will be taxable at personal marginal tax rates plus an interest charge.

Individuals will have the option to withdraw up to 85 per cent of the excess amount from superannuation.

Superannuation Guarantee

The Government has proposed to pause the superannuation guarantee (SG) rate at 9.25 per cent from 1 July 2014 until 30 June 2016. The SG rate is then proposed to increase to 9.5 per cent from 1 July 2016, with further increases of half a percentage point each year until it reaches 12 per cent on 1 July 2021. At the time of writing, legislation enacting this change had not been tabled in Parliament.

Insurance within superannuation

From 1 July 2014 superannuation regulations will restrict the types of insurance and features that can be held inside superannuation. This will have an impact on a trustee's ability to hold certain types of insurance. Insurance cover held for existing fund members that is in place before 1 July 2014 will not be affected.

Minimum required pension payments

Minimum required annual superannuation pension payment amounts for account-based, allocated and term allocated income streams returned to legislated minimums from 1 July 2013.

The minimum payments required for account-based pensions are detailed in the table below:

Age	2013–14 and later years
Under 65	4.0%
65–74	5.0%
75–79	6.0%
80–84	7.0%
85–89	9.0%
90–94	11.0%
95 and over	14.0%

Taxation of pension assets

From 1 July 2012 earnings on pension assets will continue to be tax-free following the death of the pension recipient until the death benefit has been paid. The earnings tax exemption will cease if the death benefit is not paid as soon as practicable.

Insurance proceeds and anti-detriment amounts added to a non-reversionary pension account post-death will be applied to the taxable component of the death benefit from 4 June 2013.

Unclaimed money

The balance threshold below which superannuation providers are required to transfer small accounts of lost members to the Australian Taxation Office (ATO) increased from $200 to $2,000 from 31 December 2012.

Inactive accounts of unidentifiable members must be transferred to the ATO where the Fund has not received an amount in respect of the member in the last 12 months. This period of inactivity has been reduced from five years.

In August 2013, the Government announced the balance thresholds below which lost accounts are to be transferred to the ATO would further increase to $4,000 from 31 December 2015 and to $6,000 from 31 December 2016. At the time of writing, legislation implementing this measure had not yet been made law.

Trans-Tasman portability

Transfers of retirement savings between Australian superannuation funds and New Zealand KiwiSaver schemes are allowable from 1 July 2013 for individuals who permanently emigrate between the two countries.

The transfer of benefits between Australia and New Zealand is voluntary for members. It is also voluntary for funds/schemes to accept transferred amounts.

Stronger Super

The first phase of the Government's Stronger Super reforms, intended to make the superannuation system stronger and more efficient, started on 1 July 2013. The key elements of the Stronger Super reform agenda that have an impact on the Fund include:

- additional duties for superannuation fund trustees, and
- SuperStream measures aimed at improving the administration and management of member accounts, including the electronic processing of rollovers from 1 July 2013 and employer contributions from 1 July 2014.

Other key elements of the Stronger Super reforms were detailed in last year's annual report.

Future of Financial Advice (FOFA)

The Future of Financial Advice reforms were designed to improve trust and confidence in the financial planning sector.

Compliance with a number of aspects of the reforms became mandatory on 1 July 2013. However, the current Federal Government has proposed a review of certain aspects of the reforms. At the time of writing, legislation enacting these changes has not been tabled in Parliament.

Updated Product Disclosure Statements

On 1 July 2013, a supplementary product disclosure statement (SPDS) was issued for the Super and Pension Consolidator, Super and Pension Manager, and Super Accumulator products. The key changes include:

- the introduction of the Standard Risk Measure to allow members to compare investments that are expected to deliver a similar number of negative annual returns over any 20-year period
- new employer BPAY® biller codes contribution types to allow parties to nominate the relevant employer contribution when adding funds to a super account by BPAY®
- replacing the Establishment Fee with an Initial Advice Fee that is not related to the opening of an account.

Information contained in the SPDS will be merged into the offer documents when they are next updated.

® Registered to BPAY Pty Ltd ABN 69 079 137 518.

Trustee and Fund information

The Trustee of the Fund is Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281. From 1 July 2013, the board of the Trustee comprises three independent directors and one non-executive director.

During the 2012–13 financial year, the Fund held the following assets directly or indirectly with a value of greater than five per cent of the Fund's total assets:

- in all trusts for which Macquarie Investment Management Limited acts as responsible entity ($1.771 billion)
- in Macquarie Group Limited ($2.573 billion) including the Macquarie Wrap Solutions Cash Account ($1.306 billion)
- in Dimensional Funds Australia Limited ($1.545 billion), and
- in Vanguard Investments Australia Limited ($0.746 billion).

The Trustee is covered by the professional indemnity insurance taken out by the Macquarie Group.

The Trustee has formulated a strategy for establishing, implementing, managing and maintaining an Operational Risk Financial Requirement (ORFR) in accordance with the relevant superannuation prudential standard.

Changing advisers

We intend that in applying for and holding this product you must have an appropriately licensed adviser who is registered with us to assist you with your investment.

If you change advisers, you must notify us in writing.

If your adviser is not registered with us, we will seek to assist them in becoming registered.

If however, they do not become registered, or for any other reason you do not have a registered adviser:

- we may reject transactions, other than to close your account, and
- if this situation persists past 30 days, we, on 30 days notice, reserve the right to redeem your holdings at current market values, deduct any outstanding fees, charges and taxes, and roll your benefit over to an Eligible Rollover Fund (ERF).

Use of derivatives

The Fund invests in a number of collective investments. These collective investments are managed by Macquarie and external investment managers. Some of these collective investments invest in derivatives.

Derivatives used by the collective investments are outlined in each PDS.

External investment managers employed by Macquarie have provided their own Derivative Risk Management Statement (DRMS) documents or equivalent information to Macquarie. Should you require further information, a copy of the Macquarie Collective Investment DRMS is available free of charge from your adviser or from Macquarie.

Generally, derivatives used by the external investment managers of the collective investments are set out in the DRMS (Part B) supplied by each of the individual investment managers. A file containing these DRMSs is available from Macquarie on request.

Macquarie is satisfied that the DRMSs do not reveal any material inconsistencies with the investment strategies of Macquarie Wrap Super.

Subject to the Trustee's limits referred to in the PDS, where the Trustee is satisfied that they meet the applicable investment strategy, the Trustee may effect investments in instalment warrants or other derivatives.

Eligible Rollover Fund (ERF)

The Trustee has elected and reserves the right to pay all accounts with a balance up to $10,000 (for Super Manager and Super Consolidator) or $1,200 (for Super Accumulator) to an ERF, which accepts and protects small amounts. The ERF chosen is called the Super Safeguard Eligible Rollover Fund.

The Super Safeguard Eligible Rollover Fund is administered by Australian Administration Services Pty Limited ABN 62 003 429 114 AFSL 295142. APRA has approved the Super Safeguard Eligible Rollover Fund to operate as an ERF. The trustee is Trust Company Superannuation Services Limited ABN 49 006 421 638 AFSL 235153.

Trust Company Superannuation Services Limited will protect your benefits from erosion due to fees and charges under member benefit protection rules.

Should your benefit be transferred to the Super Safeguard Eligible Rollover Fund, all subsequent enquiries relating to your benefit should be directed to:

Super Safeguard Eligible Rollover Fund
GPO Box 3426
Melbourne
VIC 3001

Phone: 1300 135 181
Fax: 1300 135 191
Email: enquiries@supersafeguard.com.au
Website: supersafeguard.com.au

Should your benefit be transferred to the Super Safeguard Eligible Rollover Fund:

- your interest in the Fund, including your insurance cover, will cease
- you will become a member of the Super Safeguard Eligible Rollover Fund and will be subject to its governing rules
- your account will be invested according to the investment strategy of the Super Safeguard Eligible Rollover Fund
- the Super Safeguard Eligible Rollover Fund may charge fees to your account, and
- you may not be offered insurance cover.

You should refer to the PDS for the Super Safeguard Eligible Rollover Fund for more information.

We reserve the right to change the chosen ERF without notice to you.

Complaints

If you have a complaint, please contact your adviser and discuss your enquiry or complaint with them.

If you are not satisfied with the result, please contact us on 1800 025 063. Alternatively, please write to us at the below address.

Macquarie Investment Management Limited
GPO Box 4045
Sydney NSW 2001

We will respond to your written enquiry or complaint as soon as possible and always within 45 days of receipt.

If you are still not satisfied with our response after 90 days, you may wish to refer the matter to the Superannuation Complaints Tribunal, an independent body set up by the Federal Government to review trustee decisions relating to individual members. You can contact the tribunal by telephoning 1300 884 114.

Further information

The relevant PDS is available from either your adviser, by contacting us, or online at:

- for Super and Pension Manager, wrapguide.com.au/supermgr
- for Super and Pension Consolidator, wrapguide.com.au/superconsol, and
- for Super Accumulator, wrapguide.com.au/superacc.

Financial statements of the Fund[5]

Operating statement for the year ended 30 June 2013

	2013 $'000	2012 $'000
Investment revenue		
Changes in the net market value of investments	1,005,095	(545,118)
Interest	44,208	44,262
Distributions from unit trusts	264,549	333,403
Dividends	102,447	86,235
Total investment revenue	**1,416,299**	**(81,218)**
Contributions revenue		
Employer contributions	195,901	225,453
Members' contributions	416,163	383,399
Transfers from other funds	1,152,599	1,069,945
Total contributions revenue	**1,764,663**	**1,678,797**
Other revenue		
Insurance proceeds	7,297	11,301
Total revenue	**3,188,259**	**1,608,880**
Expenses		
Insurance premiums	45,008	37,272
Operating expenses	130,345	112,794
Superannuation contributions surcharge	20	4
Total expenses	**175,373**	**150,070**
Benefits accrued as a result of operations before income tax	**3,012,886**	**1,458,810**
Income tax expense/(benefit)	16,722	(11,629)
Benefits accrued as a result of operations	**2,996,164**	**1,470,439**

[5] This annual report contains abridged financial information for the financial year ended 30 June 2013 for the Fund. The full financial information is available upon request by contacting your adviser, or Macquarie on 1800 025 063.

Statement of financial position as at 30 June 2013

	2013 $'000	2012 $'000
Assets		
Cash and cash equivalents	240,985	175,400
Investments	10,924,028	9,256,819
Receivables	67,188	65,580
Current tax asset	22,551	52,618
Deferred tax asset	30,920	56,950
Total assets	**11,285,672**	**9,607,367**
Liabilities		
Trade and other payables	11,742	10,019
Total liabilities	**11,742**	**10,019**
Net assets available to pay benefits	**11,273,930**	**9,597,348**
Represented by:		
Liability for accrued benefits		
Allocated to members' accounts	11,273,930	9,597,348

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For more information, financial advisers call 1800 025 063 or email adviser@macquarie.com

For existing members, your adviser is your main point of contact for your account.

If you have any queries about your Macquarie account, please talk to your adviser.
To contact Macquarie, visit macquarie.com.au/clientview or macquarie.com.au

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