

Macquarie Wrap Super

Annual Report to members
for the year ended 30 June 2021

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

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

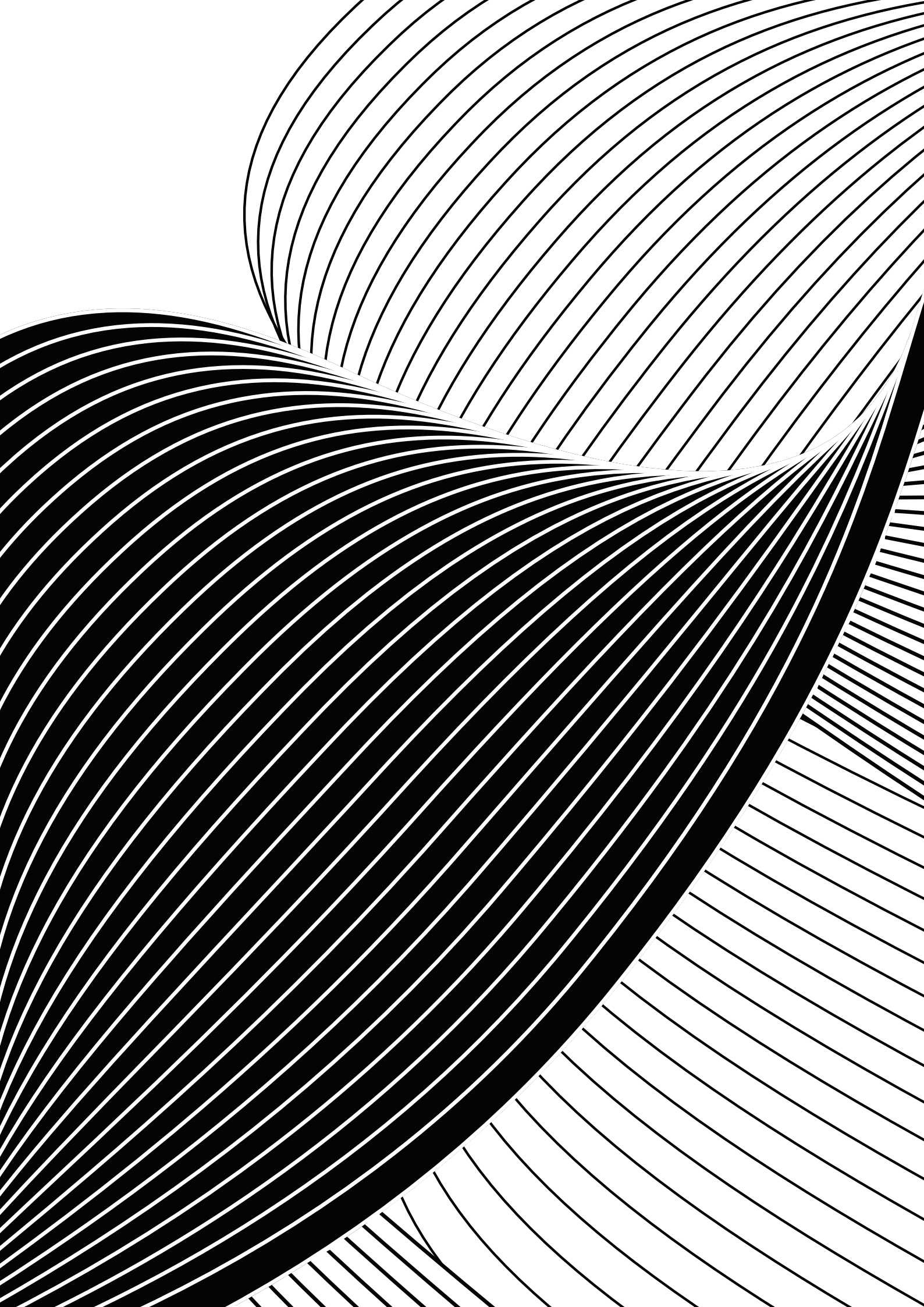
The trustee for the superannuation fund is Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281 (MIML, Macquarie, the Trustee, we, us, our).

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 both Macquarie Group entities. Macquarie Group means Macquarie Group Limited and its related bodies corporate (as defined in the Corporations Act 2001 (Cth)). MIML is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) 1959, and MIML's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 AFSL 237502 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of MIML.

Investments in Macquarie Wrap Super, other than holdings in term deposits with Macquarie Bank Limited and the Cash Hub, 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, Macquarie Equities Limited ABN 41 002 574 923, 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 6 December 2021 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 PDS available from us or your adviser, before acting on any of the information in this annual report.



Welcome

6 December 2021

Welcome to the Annual Report for Super and Pension Manager, Super and Pension Manager II, Super and Pension Consolidator, Super and Pension Consolidator II and Super Accumulator (Macquarie Wrap Super) for the year ended 30 June 2021.

At Macquarie, our philosophy has always been that the best advice is based on a personal relationship with a trusted adviser, who takes the time to understand your needs and build a roadmap to help you achieve your goals.

Our role is to support you and your adviser manage and grow your wealth using our investment platform and cash solutions.

Macquarie Wrap Super is an investment platform where you and your adviser can choose and manage the different assets you hold in your superannuation, all in one place. With Macquarie Wrap Super, your adviser can help you access more than 3,000 investment options across a range of investment types, including shares, managed funds, separately managed accounts, term deposits and more. With all of your investments in one place, your adviser can respond quickly to investment opportunities and changes in the market, and you both have the transparency of online reporting at any time.

Sustainable investment options

We know that Environmental, Social and Governance (ESG) considerations are becoming increasingly important for our members.

This year we've updated our investment menu to help you to identify investments that have been externally rated based on one or more ESG factors. We will continue to provide you and your adviser with access to investment options that consider ESG factors. Speak to your adviser if you're interested in these investment options.

Our ongoing commitment to providing members with an exceptional experience

We're continually investing in the evolution of our technology and security features so that we can offer simple, powerful and safe ways for you and your adviser to manage your wealth.

As a member of our fund, you have access to our award-winning mobile banking app where you can view details of your superannuation in real time, giving you full transparency over your accounts.

As part of our commitment to enhancing your digital experience, we continue to develop market-leading security features to help protect you from cyber threats and fraud. One security feature is our Macquarie Authenticator app, a real-time transaction verification method more secure than SMS that helps protect your account and personal information.

Regulatory change

The Australian superannuation regulatory environment continues to evolve, with new reforms introduced in 2021 to further strengthen the superannuation industry.

We continue to monitor and address the changing regulatory landscape to ensure we meet our regulatory obligations, while keeping our focus on continually improving the experience of our members and their advisers.

During the financial year, as a result of the impacts of COVID-19, over 3,400 members accessed their retirement savings through the Government's early release scheme. We paid out almost \$33 million in benefits to help members navigate this challenging year.

More recently, we've worked closely with advisers and members to design a new digital fee consent process. From July 2021, as a result of recommendations from the Financial Services Royal Commission, members must now confirm the advice arrangement with their adviser and provide consent for an advice fee to be charged on an annual basis. Our new digital solution provides a seamless way to provide these consents.

How we're working for you

The Trustee of Macquarie Wrap, Macquarie Investment Management Limited (MIML), is required to assess and compare the quality and competitiveness of its superannuation and pension products on an annual basis. Details of MIML's members outcomes assessment for the Macquarie Superannuation Plan for the period 1 April 2020 to 31 March 2021 are available from macquarie.com/yourwrap.

2022 Annual Members' Meeting

We will be holding our second Annual Members' Meeting for our members, virtually, in March 2022. At the meeting we'll update you on our key achievements and operations, and you'll have the opportunity to ask our key executives questions. We'll share an invitation to the virtual event in December 2021, and again in the new year, closer to the event date.

Thank you

It has been a challenging year for many Australians as we continue to navigate the ongoing uncertainty of the COVID-19 pandemic together, and I'd like to personally thank you for your continued support.

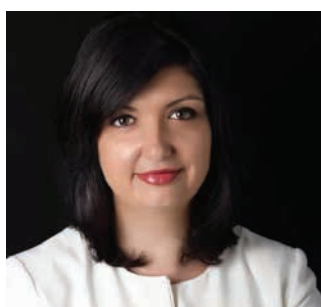
We hope you find this year's Annual Report informative, and we look forward to continuing to support you and your adviser as you manage and grow your retirement savings.

Yours sincerely,

Michelle Weber



Division Director
Macquarie Investment
Management Limited



Macquarie Wrap Super is designed for members who have a financial adviser. We strongly recommend having a financial adviser linked to your Macquarie Wrap account. They can help you manage your account and achieve your financial goals. Where you do not have an adviser linked to your account, you'll experience limitations on the investment choices and investment management tools you can access.

Do you have a new adviser?

Let us know by providing a signed instruction to wrapsolutions@macquarie.com

Need help finding an adviser?

Please visit moneysmart.gov.au/financial-advice/choosing-a-financial-adviser

This Annual Report provides you with general information about the management and financial position of the Fund.

Please read this report alongside your Annual Statement for the year ended 30 June 2021, which provides details of your benefits in the Fund.

This annual report includes information on:

- Super Manager, Super Manager II, Super Consolidator, Super Consolidator II, and Super Accumulator which are accumulation superannuation products, and
- Pension Manager, Pension Manager II, Pension Consolidator and Pension Consolidator II which are both retirement income solutions incorporating an account-based pension and (for Pension Manager) a term allocated pension. References to Pension Manager can be interpreted as references to both the account-based pension and the term allocated pension.

The abridged financial statements relate to the entire Macquarie Superannuation Plan (the Fund).



The financial year in review

In the face of many challenges both the global and Australian economies continued their recovery during the year.

Economic review¹

The global economic environment

The global economy and equities started FY21 continuing to recover from the COVID-19 lockdown induced trough in April 2020. However, in early November, news came in the form of announcements of successful COVID-19 vaccines, which raised hopes that an end to the pandemic was within sight. Markets responded positively to the news with global equity markets posting their best calendar month performance since 1975.

From November, the pace of economic expansion re-accelerated and by the end of the financial year global GDP had recovered to its pre-COVID-19 level – the sharpest recovery in decades. The US economy led the way, supported by a powerful cocktail of successful vaccination rollouts, a decline in the spread of COVID-19 and unprecedented fiscal stimulus as newly-elected US President Biden unveiled one massive stimulus package after another. US business activity surged to multidecade highs and US consumer sentiment recovered as the labour market continue to improve. The US housing market skyrocketed, aided by ultra-low interest rates.

One consequence of the strong recovery was a significant rise in inflation, prompting debate over whether recent massive stimulus had finally let the inflation ‘genie out of the bottle’ or whether the rise in inflation was merely a ‘transitory’ phenomenon related to reopening of the economy and temporary supply bottlenecks.

The Eurozone economy lagged, dragged down by a slow vaccine rollout which resulted in further lockdowns in early 2021 but by the end of the financial year it too was recovering. China’s economy, having recovered earlier than others, continued growing although Chinese authorities began to tighten policy in order to prevent the economy from ‘overheating’ and to rein in unsustainable indebtedness.

In August, the US Federal Reserve Chairman announced a major monetary policy shift to “average inflation targeting” meaning the central bank will be more inclined to allow inflation to run higher than the standard 2% target before hiking interest rates, suggesting it would be willing to keep interest rates ‘lower for longer’.

¹ The information provided in this economic review is based on information as at 30 June 2021 and is derived from sources that are believed to be reliable at that time.

The Australian economic environment

The Australian economy started the financial year continuing its recovery and momentum grew over the next few months. The recovery was spurred by the launch of the vaccine rollout, easing health restrictions, ongoing policy support, a strong global growth pulse and elevated commodity prices.

During FY21, Australian GDP surpassed pre-COVID-19 levels, as did employment, despite the end of JobKeeper in March. Businesses reported record strong trading conditions and consumer confidence reached its highest level in 11 years.

The property market in Australia has performed strongly, with house prices rising at the fastest rate since the late 1980s and building activity at its strongest level since the 1950s, driven by government incentives such as HomeBuilder, improving economic conditions, pent up demand, low supply and record low mortgage rates.

Australian commodity exports surged, driven by international demand for iron ore in particular, but also lithium, coal and other commodities, as the global economy recovered. Commodity prices rose to decade highs, providing a real income boost for the Australian economy.

The 2020/21 Australian Federal budget was delivered five months later than its initial date of May 2020 because of the pandemic, and saw Australia report its largest budget deficit since the second world war as the government fast-tracked tax cuts and subsidies in order to stimulate the economy. The 2021/22 budget delivered in May 2021 saw an improvement due to the economic recovery and higher commodity prices.

On the monetary front, in early November the Reserve Bank of Australia (RBA) reduced the cash rate to a record low of 0.1% and formally commenced 'Quantitative Easing' with the announcement that it would purchase A\$100 billion of 5-10 year government bonds. The RBA was unequivocal in its forward guidance, saying it will not raise rates until actual inflation is between 2-3% on a sustainable basis.

The Australian Dollar rose during FY21, from US\$0.69 at the start of the financial year and briefly touched US\$0.80 in February – its highest level against the USD in three years – aided by strong commodity prices but also by declining risk aversion as the currency has historically traded in line with the economic cycle.



Your investment choices

As a member of Macquarie Wrap Super, you and your adviser have access to an extensive range of investments, including managed investments, SMAs, Australian listed securities, term deposits and other selected investments.

The number and type of investment options available to you may change or reduce if you do not have an adviser linked to your account.

Ongoing changes to investment strategies and available investment options

The Investment Menu outlines all available investment strategies and investment options made available by the Trustee to you and your adviser. The investment strategies and investment options available within the Fund are subject to change from time to time, at the discretion of the Trustee. Any changes to investment strategies and available investment options will be published on a monthly basis in the Investment Menu available from macquarie.com.au/supermenu

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, ensuring 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.

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

Investment strategy	Cash	Australian fixed interest
Objective	Aims to achieve stable returns over the short-term with a high level of capital security.	Aims to achieve stable returns over the medium to long-term via income and capital growth with a high to medium level of capital security.
Strategy	Returns driven by exposure to Australian demand deposits and cash equivalents; eg short-term, liquid investments with a high degree of capital stability and no material or potential exposures to non-cash holdings.	Returns driven by exposure to the debts of Australian governments, semi-government, companies and asset backed securities.
Target return (% pa)	1.0% to 2.0%	2.0% to 4.0%
Target risk (% pa)	0.5% to 1.5%	1.5% to 5.0%
SRM range	1 to 2	2 ² , 5
Suggested minimum timeframe	No minimum	5 years
Sub-strategy	N/A	<ul style="list-style-type: none">• Term deposits• Annuities• Short Term/Strategic• Sector specific• Enhanced• Specialist• Diversified• Unsecured notes• Listed Investment Companies (LICs)/ Listed Investment Trusts (LITs)

² Term deposits and Annuities are assigned an SRM of 1.

Investment strategy	Global fixed interest	Specialised global fixed interest	Australian property
Objective	Aims to achieve stable returns over the medium to long-term via income and capital growth with a medium to low level of capital security.	Aims to achieve stable returns over the medium to long-term via income and capital growth with a medium to low level of capital security.	Aims to achieve returns over a medium to long-term via income and capital growth with a medium to low level of capital security.
Strategy	Returns driven by exposure to the debts of international government, semi-government, companies and asset backed securities.	Returns driven by exposure to the debts of international governments, semi-government, companies and asset backed structures. Investments may focus on specific sectors, attributes or regions.	Returns driven by exposure to Australian property equity, in listed, unlisted and direct forms.
Investment Menu availability	Elevate	Elevate	Elevate
Target return (% pa)	2.0% to 4.0%	3.0% to 6.0%	6.0% to 7.5%
Target risk (% pa)	3.0% to 6.5%	4.0% to 11.5%	9.5% to 15.0%
SRM range	5 to 6	5 to 6	6 to 7
Suggested minimum timeframe	6 years	7 years	7 years
Sub-strategy	<ul style="list-style-type: none"> • Diversified 	<ul style="list-style-type: none"> • Enhanced • Sector specific • Specialist 	<ul style="list-style-type: none"> • Listed • Unlisted • Diversified

Investment strategy	Global property	Australian shares	Global shares
Objective	Aims to achieve returns over a medium to long-term via income and capital growth with a medium to a low level of capital security.	Aims to achieve returns over a medium to long-term via income and capital growth with a low level of capital security.	Aims to achieve returns over a medium to long-term via income and capital growth with a low level of capital security.
Strategy	Returns driven by exposure to international property equity, in listed, unlisted and direct forms.	Returns driven by exposure to the equity of Australian companies, via shares and other securities primarily listed on the ASX.	Returns driven by exposure to the equity of international companies, via shares and other securities primarily listed on global exchanges.
Target return (% pa)	5.5% to 7.0%	6.0% to 9.0%	5.5% to 7.5%
Target risk (% pa)	10.0% to 17.5%	16.0% to 20.0%	11.0% to 17.5%
SRM range	6 to 7	6 to 7	6 to 7
Suggested minimum timeframe	9 years	6 years	8 years
Sub-strategy	<ul style="list-style-type: none"> • Listed • Unlisted • Diversified 	<ul style="list-style-type: none"> • Index • Small cap • Specialist • Sector specific • Diversified • LICs/LITs 	<ul style="list-style-type: none"> • Index • Diversified

Your investment choices

Investment strategy	Specialised global shares	Alternative debt	Alternative commodities
Objective	Aims to achieve returns over a medium to long-term via income and capital growth with a low level of capital security.	Aims to achieve returns over a medium to long term via income and capital growth with a medium to low level of capital security.	Aims to achieve returns over a medium to long term via income and capital growth with a medium to low level of capital security.
Strategy	Returns driven by exposure to equity of international companies, via shares and other securities primarily listed on global exchanges. Investments may focus on specific sectors, themes, countries or regions.	Returns driven by a manager's skill in adding, managing and reducing exposure to debt instruments. Investments may focus on listed or unlisted debt, highly rated or distressed situations and may focus on specific sectors, attributes or regions.	Returns driven by exposure to physical assets that have value due to their substance and properties eg precious metals, commodities and oil.
Target return (% pa)	4.5% to 8.0%	4.0% to 9.0%	2.0% to 3.5%
Target risk (% pa)	11.0% to 23.0%	6.0% to 11.5%	16.5% to 22.0%
SRM range	6 to 7	5 to 6	7
Suggested minimum timeframe	9 years	7 years	12 years
Sub-strategy	<ul style="list-style-type: none"> • Sector specific • Specialist • Regional/Country • LICs/LITs 	N/A	N/A

Investment strategy	Alternative real assets	Alternative insurance	Diversified alternatives
Objective	Aims to achieve returns over a medium to long term via income and capital growth with a medium to low level of capital security.	Aims to achieve returns over a medium to long term via income and capital growth with a medium to low level of capital security.	Aims to achieve returns over a medium to long term via income and capital growth with a medium to low level of capital security.
Strategy	Returns driven by a manager's skill in adding, managing and reducing exposure to physical assets that have value due to their operation eg unlisted infrastructure, real estate, agricultural land, timber, machinery.	Returns driven by a manager's skill in adding, managing and reducing exposure to insurance linked securities and markets eg life insurance and catastrophe reinsurance.	Returns driven primarily by the investment strategy rather than market exposure. The strategy is benchmark unaware and utilises traditional assets such as shares, bonds or property.
Target return (% pa)	5.5% to 7.0%	5.0% to 6.5%	4.5% to 6.5%
Target risk (% pa)	6.0% to 11.0%	6.0% to 7.5%	6.0% to 10.0%
SRM range	5 to 6	4 to 5	5 to 6
Suggested minimum timeframe	7 years	6 years	7 years
Sub-strategy	N/A	N/A	N/A

Investment strategy	Alternative macros	Alternative specialist	Alternative equity
Objective	Aims to achieve returns over a medium to long term via income and capital growth with a medium to low level of capital security.	Aims to achieve returns over a medium to long term via income and capital growth with a medium to low level of capital security.	Aims to achieve returns over a medium to long term via income and capital growth with a medium to low level of capital security.
Strategy	Returns driven by a manager's skill in identifying top-down price signals eg economics and momentum. The strategy is benchmark unaware and can utilise a wide range of assets such as shares, bonds, currencies and derivatives eg managed futures.	Returns driven by a manager's skill in identifying bottom-up price signals independent of the market. The strategy is benchmark unaware and can utilise a wide range of assets such as shares, bonds, currencies and derivatives eg equity market neutral.	Returns driven by a manager's skill in adding, managing and reducing exposure to equity risk. Investments may focus on global or domestic companies, via listed securities such as shares or unlisted interests such as limited partnership interests (private equity funds).
Target return (% pa)	6.5% to 8.5%	4.5% to 5.5%	6.5% to 9.5%
Target risk (% pa)	7.0% to 9.0%	4.0% to 5.0%	11.0% to 24.0%
SRM range	4 to 6	4 to 6	6 to 7
Suggested minimum timeframe	5 years	6 years	8 years
Sub-strategy	N/A	N/A	N/A

Investment strategy	Australian listed securities
Objective	Aims to achieve returns over a medium to long-term via income and capital growth with a low level of capital security.
Strategy	Exposure to securities primarily listed on the ASX or expected to be listed.
Target return (% pa)	6.0% to 9.0% ³
Target risk (% pa)	16.0% to 23.5% ³
SRM range	6 to 7
Suggested minimum timeframe	6 years
Sub-strategy	<ul style="list-style-type: none"> • Common shares • Listed company options • Hybrid securities • Share rights • Exchange Traded Funds (ETFs)/Exchange Traded Managed Funds (ETMFs)/LITs/LICs⁴ • Listed property investments⁴

³ Range assumes a diversified investment portfolio.

⁴ The Trustee may categorise selected listed securities such as ETFs, LITs, LICs and Listed Property investments to another investment strategy where such investment strategy is more consistent with the underlying investment characteristics of the security.

Your investment choices

Investment strategy	Conservative	Balanced	Growth
Objective	Aims to achieve returns over the short to medium-term via income and capital growth with a medium to high level of capital security.	Aims to achieve returns over the medium to long-term via income and capital growth with a medium to low level of capital security.	Aims to achieve returns over the long-term via income and capital growth with a low level of capital security.
Strategy	Diversified mix of income assets such as money market and fixed interest securities, and growth assets such as property, shares and alternative investments. The weighting to income assets will be greater than to growth assets.	Diversified mix of income assets such as money market and fixed interest securities, and growth assets such as property, shares and alternative investments. There will be notable weighting to both income and growth assets.	Diversified mix of income assets such as money market and fixed interest securities, and growth assets such as property, shares and alternative investments. The weighting toward growth assets will be greater than to income assets.
Target return (% pa)	3.0% to 5.5%	4.0% to 7.0%	5.5% to 8.0%
Target risk (% pa)	3.0% to 8.0%	5.0% to 13.0%	10.5% to 16.5%
SRM range	4 to 5	5 to 6	6
Suggested minimum timeframe	4 years	4 years	4 years
Sub-strategy	N/A	N/A	N/A

Asset allocation

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

Asset class	30/06/2021	30/06/2020
Cash ⁵	12.1%	16.7%
Commodities	0.1%	0.2%
Australian equities	32.7%	28.9%
International equities	26.2%	24.7%
Australian fixed interest	10.4%	8.9%
International fixed interest	10.6%	11.9%
Property	4.9%	4.9%
Other	3.0%	3.8%
Total	100.0%	100.0%

Through a Super and Pension Manager, Super and Pension Manager II, Super and Pension Consolidator, Super and Pension Consolidator II 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 party⁶.

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 PDS.

Investment returns

You should refer to your Annual Statement for the year ended 30 June 2021 for details of the investment performance relating to your chosen investments.

Market risk monitoring

As part of its asset monitoring obligations as Trustee, MIML conducts regular market risk stress testing analysis of member accounts.

The stress test involves estimating a percentage loss of a significant adverse event, taking into account the level of diversification within each account. Accounts are then ranked by this estimated percentage loss and we flag those accounts with the largest stress test losses (separately depending on whether the account holds Australian listed securities or not) as having a high level of investment risk.

Generally less than 2.5 per cent of all accounts are flagged through this analysis. Where an account is flagged we may contact the member or their adviser to bring the results of the stress test to their attention.

⁵ Includes term deposits.

⁶ All asset allocations in this document were current at the time of publishing.

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 investment 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.



Fund and product changes

Throughout the year, some important changes have been made to the Fund and the products within the Fund.

Intra-fund transfer of SuperOptions members to Macquarie Wrap

Macquarie SuperOptions (SuperOptions) is a superannuation and pension product that formed part of the Macquarie Superannuation Plan. SuperOptions has been closed to new members since June 2012.

The Trustee assessed the future of SuperOptions and concluded that it is in the best interest of members for their benefits to be transferred to another superannuation product within the Macquarie Superannuation Plan and for SuperOptions to be terminated.

This transfer, called an Intra-Fund Transfer (IFT), is a permitted under superannuation legislation, subject to strict requirements being met. In particular, the IFT can proceed only if the Trustee is satisfied that to do so is in the best interest of members of SuperOptions and that the other fund provides each member with equivalent rights in respect of the member's transferred benefits.

The Trustee assessed the features of each fund and tested equivalency of members' rights in respect of benefits in relation to fees, investments, anticipated returns and other factors. As a result, the Trustee was satisfied that the proposed transfer to Macquarie Wrap was in the best interests of the members of SuperOptions and that each member being transferred was being provided with equivalent rights in respect of their benefits.

The transfer was completed on 25 September 2020.

Amendments to the Fund's trust deed

The trust deed of the Fund was amended in relation to a successor fund transfer of members who were a "Fixed Pension Category Unit Holder" member or beneficiary of the Macquarie ADF Superannuation Fund to the Fund on or about 29 May 2020, including amendments to expressly permit the successor fund transfer and to assist in conferring equivalent rights (to transferring members) to the rights that the transferring members had under the Macquarie ADF Superannuation Fund in respect of the benefits.

For a copy of the current trust deed for the Fund, please visit macquarie.com/yourwrap

Significant events

A significant event notice was issued on the 24 August 2020 to members holding a Macquarie Super and Pension Manager account or a Macquarie Super Accumulator account to notify them of changes to their account. The changes were the introduction of a Cash Administration Fee (which would apply from 18 September 2020) on the Wrap Cash Account. Members were also notified, that in December 2020, the Wrap Cash Account would transition from a registered managed investment scheme (which invests in a deposit with (MBL) to a direct deposit account issued by MBL, the Cash Administration Fee would increase and the investment fee would no longer apply for the Wrap Cash Account.

A significant event notice was issued on the 25 November 2020 to members holding a Macquarie Super and Pension Consolidator account to notify them of changes to their account. The changes were a decrease in the maximum Cash Hub administration fee that could be charged on the Cash Hub and a change to the Cash Hub interest rate minimum.

A copy of all significant event notices can be accessed at macquarie.com/yourwrap

Changes to offer documents

An updated Technical Information Booklet (TIB) was issued on 1 July 2020.

The TIB was updated to incorporate changes in superannuation limits and thresholds and other legislative changes that came into effect for the new financial year.

A copy of the latest offer documents can be accessed at macquarie.com/yourwrap

Insurance in superannuation

Macquarie Wrap Super offers a range of insurance cover options with multiple insurance providers, to give you the peace of mind that you and your dependants will be looked after in the event of the unexpected.

MIML offers a variety of life insurance solutions to its members through its wrap platform via a panel of providers including:

- Zurich Australia Limited
- OnePath Life Limited
- AIA Australia Limited
- TAL Life Limited.

These insurance solutions include Disability Income (Income Protection) insurance, Total and Permanent Disability (TPD) cover, Death and Terminal Illness cover.

For more information on life insurance solutions through Macquarie, we would suggest you contact your financial adviser.

Insurance claims process

Your MIML Claims Manager is here to support you through the insurance claims process. If you would like any information on how to submit a claim, please feel free to contact them. Their contact details are:

Attention: The Claims Manager

Macquarie Investment Management Limited
GPO Box 4045
Sydney NSW 2001

Email: **MIMLPlatformInsurance@macquarie.com**

Please note that we make staff available who are cross-cultural to assist with translation for non-English speaking clients.

For a copy of our Claims Summary Guide, please visit **macquarie.com/yourwrap**



Legislative and regulatory change

A number of new laws and regulatory changes were introduced since the beginning of the 2020/21 financial year.

Your Future, Your Super

Reforms to enhance the superannuation system were introduced – these changes:

- limit the creation of multiple super accounts for employees who do not choose a superannuation fund when they start a new job. Effective for new employment on or after 1 November 2021,
- introduce an annual performance test to be conducted by APRA for MySuper products from 1 July 2021, and for 'other products', including 'trustee-directed products', from 1 July 2022. Trustees will be required to give notice to beneficiaries where their product has failed a performance test. Where a product has failed the performance test in two consecutive years, the trustee will be prohibited from accepting new beneficiaries into that product, and
- increase trustee accountability by ensuring trustees only act in the best financial interest of their members.

Temporary reduction to minimum pension requirements

The Government has extended the 50% reduction to the superannuation drawdown requirements for account based pensions and similar products by another year to 30 June 2022.

The table below shows the standard minimum payment rates and the reduced minimum payment rates:

Age	Standard minimum drawdown rates	Reduced minimum drawdown rates for 2019/20, 2020/21 and 2021/22
Under 65	4.0%	2.0%
65 to 74	5.0%	2.5%
75 to 79	6.0%	3.0%
80 to 84	7.0%	3.5%
85 to 89	9.0%	4.5%
90 to 94	11.0%	5.5%
95 or more	14.0%	7.0%

COVID-19 temporary early release of super

Individuals affected by COVID-19 were able to access up to \$10,000 of their superannuation in 2019/20 and a further \$10,000 in 2020/21 if certain conditions are met.

Amounts released were not subject to tax nor would they affect Centrelink or Veterans' Affairs payments.

Work test changes

From 1 July 2020, individuals aged 65 and 66 are eligible to make voluntary concessional and non-concessional superannuation contributions, without meeting the work test.

Previously the work test required a minimum of 40 hours work over a 30 consecutive day period in the financial year for contributions made from the individual's 65th birthday. From 1 July 2020 the work test applies from the individual's 67th birthday.

This change aligns the superannuation work test with the eligibility age for the Age Pension, which is progressively increasing and will reach age 67 from 1 July 2023.

Spouse contribution age limit

From 1 July 2020, the maximum age at which a spouse contribution can be made was increased from age 69 to age 74. The limit applies to the spouse receiving the contribution.

Previously those age 70 and over were ineligible to receive contributions made by another person, including a spouse, on their behalf.

NCC bring-forward arrangements

The eligibility age for the bring-forward arrangement, which allows an individual to bring-forward up to two future years of the non-concessional contribution (NCC) cap entitlements, was extended by two years.

Prior to the change the bring-forward arrangement applied until 30 June in the financial year in which an individual turned age 65. This extension allows the bring-forward rule to be used up until 30 June in the financial year the member turns 67.

The ability to use the bring forward rule is also limited by the individual's total superannuation balance at 30 June of the prior financial year.

Re-contribution of COVID-19 early release superannuation amounts

From 1 July 2021, individuals who received a COVID-19 early release of super amount in 2019/20 and/or 2020/21 will be able to re-contribute up to the amount they received without the contribution counting toward their non-concessional contribution cap.

Key super rates and thresholds

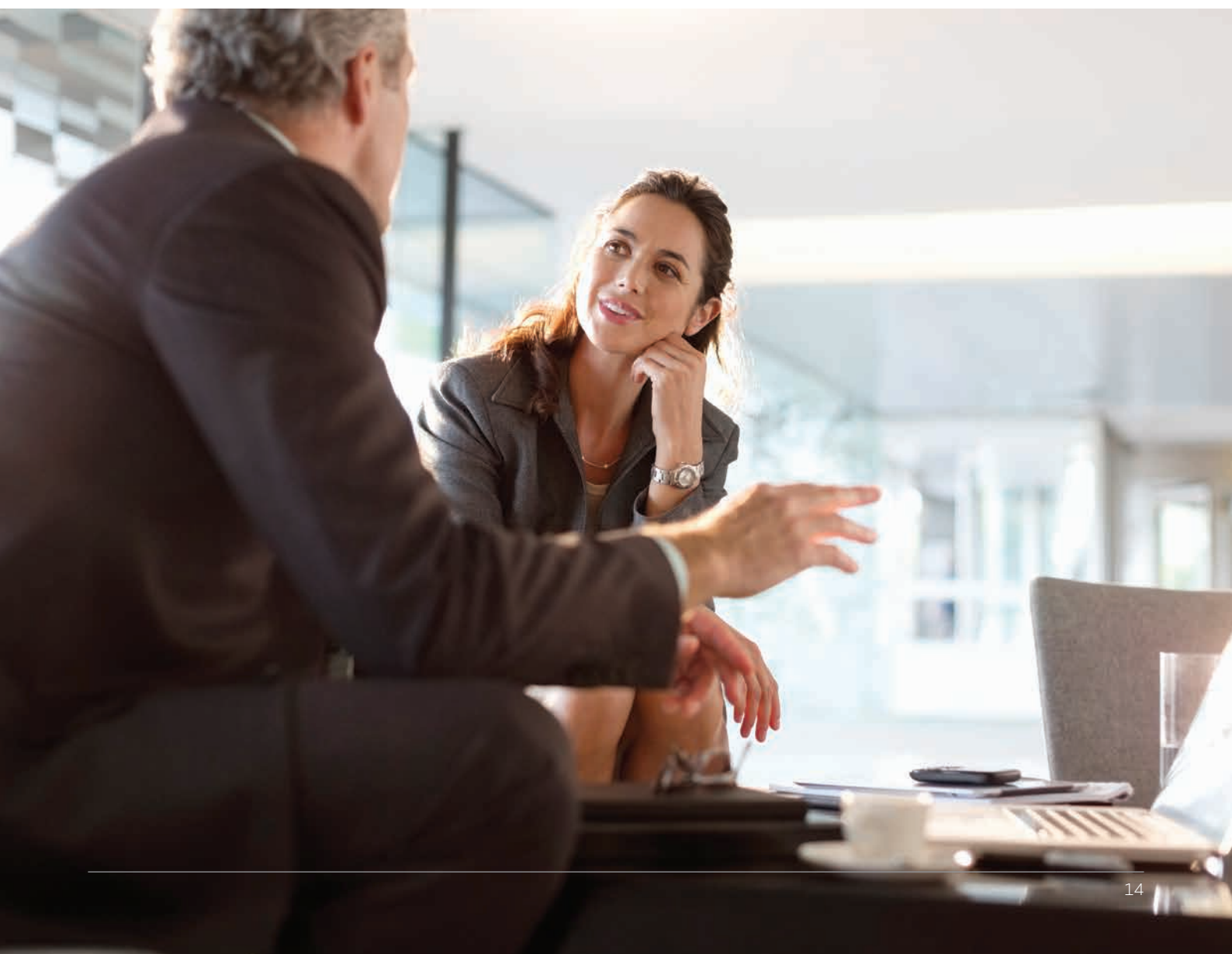
The ATO announced the following rates and threshold will apply in the 2021/22 financial year:

- concessional contribution cap: \$27,500,
- non-concessional contribution cap: \$110,000,
- lifetime small business CGT cap: \$1,615,000,
- low rate cap: \$225,000, and
- untaxed cap: \$1,615,000.

Superannuation Guarantee

The Superannuation Guarantee (SG) rate increased from 9.50 per cent to 10 per cent on 1 July 2021.

The SG rate is scheduled to progressively increase to 12 per cent by July 2025.



Key information about the Fund

Here's a summary of key information you may need to know about the Fund.

Ongoing electronic disclosure

We may communicate with and provide required disclosure to you by using any email address nominated by you or your financial adviser or by making a communication or other information available to you on the online portal accessible from online.macquarie.com.au or any other relevant website, app or online portal used for Macquarie Wrap Super in the future as notified to you. If you would prefer not to receive such communications or disclosures electronically, please contact us on 1800 025 063.

If you would like to update your email address please contact us on 1800 025 063. Any email address provided to us for these purposes should be an email address which you access regularly. You or your adviser must notify the Trustee if you change this email address. By providing your email address and/or registering for online access, you acknowledge that it is your responsibility to regularly check your email address or the online portal to access ongoing disclosure in relation to your account.

Operational Risk Financial Requirement

The Trustee has formulated a strategy for establishing, implementing, managing and maintaining an Operational Risk Financial Requirement (ORFR) in accordance with applicable superannuation laws. For the year ending 30 June 2021, the ORFR was funded by the Trustee through shareholder capital and did not form part of the administration fee or any other fee described within the PDS.

Taxation Reserve

The Trustee maintains a Taxation Reserve within the Fund which is managed in accordance with the Trustee's Reserve Policy for the Fund. The Taxation Reserve is kept separate from any money and assets held by the trustee personally and is 100% invested in cash investments. During the most recent reporting periods, the Taxation Reserve received monies as a result of annual tax processes and paid monies to meet taxation liabilities of the Fund. More detailed financial information about the Taxation Reserve over the latest reporting period is available upon request by contacting your adviser or us on 1800 025 063.

Illiquid investments

MIML maintains an account to facilitate the voluntary acquisition of certain illiquid investments from members exiting the Fund. This account did not have a balance as at 30 June 2021.

Consolidation of multiple accounts

Each year, the Trustee is obliged to identify and review members who hold more than one superannuation account within the Fund. Where the Trustee reasonably determines that it is in the best interests of the member, the member's superannuation benefits may be consolidated into a single account. Members may be provided with the opportunity to elect not to consolidate their accounts. The next review will be conducted from January 2022.

Financial Services Council

MIML is a member of the Financial Services Council and complies with the Financial Services Council Standard 20: *Superannuation Governance Policy*.

Trustee Board

The Board of the Trustee is comprised of independent directors. Information about the Trustee's directors and Executive Officers is available from macquarie.com/yourwrap

Accessing your Annual Report

You can view the latest Annual Report for the Fund online at any time by visiting macquarie.com/yourwrap

Further information

More information about the Fund is available from macquarie.com/yourwrap, including:

- the Trustee company's constitution and financial statement for the previous financial year
- the trust deed for the Fund
- information about the Trustee's directors and Executive Officers
- policies relating to conflicts management and proxy voting.

Member outcomes assessment

The Trustee is now required to complete an annual member outcomes assessment, which assesses and compares the quality and competitiveness of its superannuation and pension products. This is a new regulatory requirement that was legislated in 2019.

The Trustee has completed its member outcomes assessment for the Fund for the period 1 April 2020 to 31 March 2021.

You can read a summary of the Fund's member outcomes assessment online at macquarie.com.au/advisers/yourwrap.html#amm-&-member-outcomes-assessment-summary

Trustee and fund management information

The Trustee of the Fund is Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281. The board of the Trustee is made up of independent directors.

During the 2020/21 financial year, the Fund held the following assets directly or indirectly with a value of greater than 5 per cent of the Fund's total assets:

- in all trusts for which Macquarie Investment Management Limited was acting as responsible entity (\$2.877 billion)
- in Macquarie Group Limited (\$7.385 billion)
- in Dimensional Funds Australia Limited (\$5.050 billion), and
- in Vanguard Investments Australia Limited (\$5.266 billion).

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

Complaints

If you have a complaint:

- contact your adviser and discuss your enquiry or complaint with them
- if you are not satisfied with the result, you may telephone us on 1800 899 485, or
- it may then be necessary to write to us.

You can either:

- a. lodge it at macquarie.com.au/feedback-and-complaints.html, or
- b. write to us at:

The Complaints Manager

Macquarie Wrap
GPO Box 4045 Sydney NSW 2001
Email: complaints@macquarie.com

We will ordinarily respond to your written enquiry or complaint as soon as possible but, depending on its nature, within either 30 calendar days or 45 calendar days of receipt. For complaints about superannuation death benefit distributions, we will provide a response no later than 90 calendar days after the expiry of the 28-calendar day period for objecting to a proposed death benefit distribution. For particularly complex matters or for delays which are caused by circumstances beyond our control, a longer response time may be necessary, in which case we will notify you of the delay and the reasons for the delay.

If you are not satisfied with our response, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). You can contact AFCA as follows, quoting membership number 10635:

Australian Financial Complaints Authority

GPO Box 3
Melbourne VIC 3001
Email: info@afca.org.au
Tel: 1800 931 678 (free call)
Website: www.afca.org.au

The Macquarie Customer Advocate's role is to:

- listen to our customers and provide a customer-centric voice when making recommendations to improve customer experience
- minimise the risk of future problems by reviewing key customer themes, and
- work with Macquarie complaint teams to promote fair and reasonable customer outcomes.

The Macquarie Customer Advocate is separate to Macquarie's operating, risk and support groups including its internal dispute resolution teams.

The Macquarie Customer Advocate can be contacted at:

The Customer Advocate

Macquarie Group Limited
GPO Box 4294
Sydney NSW 1164
Email: customeradvocate@macquarie.com

Further information

Further information is available from either your adviser, by contacting us or online at macquarie.com/yourwrap

Financial statements of the Fund

This annual report contains abridged financial information for the financial year ended 30 June 2021 for the Fund. The full financial information is available upon request by contacting your adviser or us on 1800 025 063.

Income statement for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Superannuation activities		
Investment revenue		
Interest	5,102	15,903
Distributions from unit trusts	999,252	552,351
Dividends	189,692	150,220
Changes in investments measured at fair value	3,299,431	(1,292,461)
Total investment revenue	4,493,477	(573,987)
Total revenue	4,493,477	(573,987)
Expenses		
Operating expenses	246,371	225,992
Total expenses	246,371	225,992
Net Income from superannuation activities	4,247,106	(799,979)
Income tax benefit	(90,753)	170,891
Profit before income tax	4,156,353	(629,088)
Less: Net benefits allocated to members' accounts	4,156,353	(629,088)
Net result	-	-

Statement of financial position as at 30 June 2021

	2021 \$'000	2020 \$'000
Assets		
Cash and cash equivalents	2,802,578	1,351,617
Investments	27,915,389	22,357,228
Receivables	308,375	174,253
Current tax asset	16,098	26,784
Total assets	31,042,440	23,909,882
Liabilities		
Trade and other payables	22,807	19,613
Current tax liability	-	-
Deferred tax liability	175,268	18,810
Total liabilities excluding member benefits	198,075	38,423
Net assets available for member benefits	30,844,365	23,871,459
Defined contribution member benefits	30,809,562	23,836,656
Total net assets	34,803	34,803
Equity		
Tax reserve	34,803	34,803
Total equity	34,803	34,803

Statement of changes in member benefits as at 30 June 2021

	2021 \$'000	2020 \$'000
Opening balance of member benefits	23,871,459	22,503,924
Contributions		
Transfers in from other superannuation plans	3,712,967	3,134,274
Member	984,509	786,366
Employer	371,416	332,021
Government co-contributions	568	552
Successor fund transfer	-	168
Contributions tax	(64,098)	(54,586)
Contributions net of tax	5,005,362	4,198,795
Transfers out to other superannuation plans	(935,601)	(972,936)
Benefits paid to members	(1,203,667)	(1,203,667)
Insurance premiums charged to members' accounts	(47,344)	(46,770)
Death and disability benefits credited to members' accounts	18,878	21,201
Benefits allocated to members' accounts		
Net investment income	4,493,477	(573,987)
Operating expenses	(246,371)	(225,992)
Income tax benefit	(90,753)	170,891
Closing balance of member benefits	30,844,365	23,871,459

Contacting us

Mailing address

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Sydney NSW 2001

Office addresses

New South Wales

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Sydney NSW 2000

Victoria

Level 32, 80 Collins Street
Melbourne VIC 3000

Queensland

Level 8, 825 Ann Street
Fortitude Valley QLD 4006

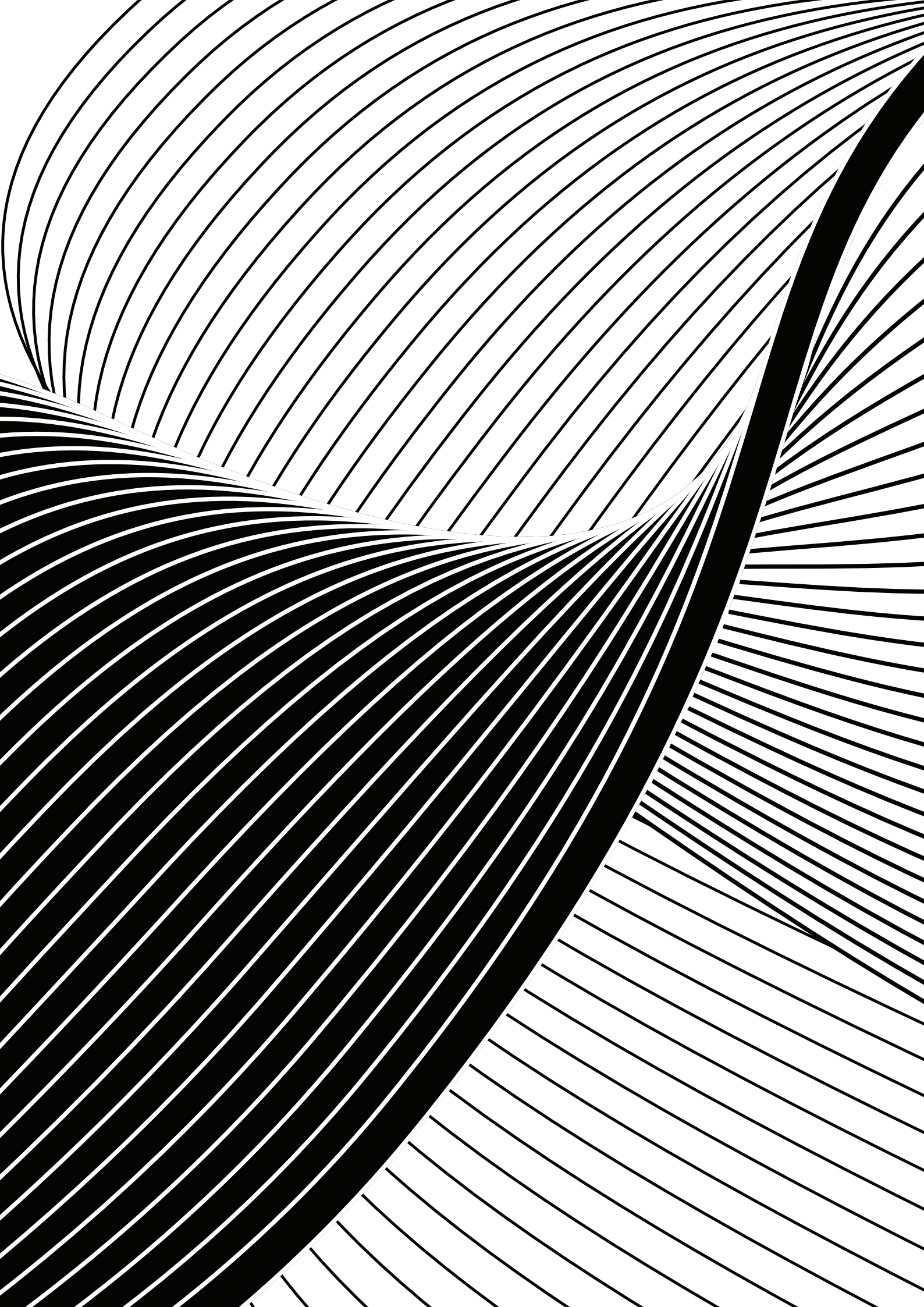
South Australia

Level 4, 63 Pirie Street
Adelaide SA 5000

Western Australia

Level 23, 240 St George's Terrace
Perth WA 6000





macquarie.com.au

How to contact us

For queries relating to your account and investments, we recommend speaking to your financial adviser. You can contact us by calling **1800 025 063** or emailing **wrapsolutions@macquarie.com**.

You can also access your account online anytime at **macquarie.com.au**