

Macquarie Wrap Super

Annual Report to members for
the year ended 30 June 2022



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

This Annual Report provides you with general information about the management and financial position of the Macquarie Superannuation Plan (the Fund).

Please read this report alongside your Annual Statement for the year ended 30 June 2022, 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 Fund.



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 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 18 November 2022 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.

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Welcome

18 November 2022

Welcome to the 2022 Annual Report for the Macquarie Superannuation Plan.

While the world is still experiencing the ongoing physical and emotional toll caused by COVID-19, the past financial year has seen some additional global economic, political, and geo-political disruptions. These have caused challenges on many fronts, including volatile investment markets, ongoing supply chain disruptions, numerous regulatory changes, and persistent high inflation. Domestically, devastating floods have caused significant financial and social impact to many people across the nation.

To assist you in navigating these uncertain times, we are focused on continuing to provide you and your adviser with the right tools and support to build your financial future.

We're with you for the long term

Against a backdrop of mergers and consolidations across the superannuation industry, Macquarie Investment Management Limited (MIML) is committed to supporting you and your adviser throughout your superannuation and retirement journey.

At the centre of that support is our investment platform. Our focus on investment and technology solutions, overseen by a robust governance and operational framework, are hallmarks of our organisation.

We continue to invest in the evolution of our products and uplifting the digital experience so that the platform remains sustainable over the long term.

Our retirement income strategy

We've recently published our retirement income strategy, which aims to provide members with products, tools and resources to assist them in achieving their targeted outcome in retirement. It outlines how we'll help members who are retired, or approaching retirement, to achieve and balance three broad retirement objectives:

1. maximising their expected retirement income
2. managing the expected risks to the sustainability and stability of their retirement income throughout their retirement
3. having flexible access to funds over the period of retirement.

Importantly, we continue to encourage members to engage with a professional financial adviser to assist them with their retirement planning needs.

A summary of our retirement income strategy is available at [macquarie.com/yourwrap](https://www.macquarie.com/yourwrap)

Farewell and welcome

I would like to take this opportunity to advise you of recent Board appointments and departures. We farewelled Ian Miller after more than nine years of distinguished service as a member of the Board of

Directors and as Chair of the MIML Board Audit, Risk and Compliance Committee since 1 July 2013.

On behalf of the Board and MIML, I would like to express our thanks to Ian for his tremendous contribution and unwavering focus on delivering outcomes in the best financial interests of our members.

With Ian's departure, we have recently welcomed Ruth Picker to the Board. Ruth joins us after a successful career spanning over 30 years at EY, including as Managing Partner of the Melbourne office and leader of the Asia-Pacific Risk Management team.

The Board continues to be comprised wholly of independent, non-executive directors.

2022 Annual Members' Meeting

We will be holding our Annual Members' Meeting, virtually, on 6 December 2022. During the meeting, we'll update you on our key achievements and operations, and you'll have the opportunity to ask our Executive team and Directors questions. Invitations to the virtual event were sent in early November 2022.

Further information on our Annual Members' Meeting is available at macquarie.com.au/investing/macquarie-superannuation-plan-amm

Thank you

On behalf of the Board, our Executive team and all of the staff supporting MIML, I'd like to thank you for trusting us to look after your superannuation and retirement savings.

We look forward to continuing to support you and your adviser.

Yours sincerely,



John Edstein

Chair of the Board of Directors
Macquarie Investment Management Limited

Macquarie Wrap Super is designed for members who have a financial adviser.

Macquarie Wrap Super offers a broad range of investment options across a range of investment types, including shares, managed funds, separately managed accounts, term deposits and more.

We believe the best way to achieve your investment and retirement goals is through a personal relationship with a trusted adviser, who understands your circumstances and financial goals.

Our investment platform allows you and your adviser to manage the different assets you hold in your superannuation, all in one place. This enables your adviser to respond quickly to investment opportunities and changes in the market. In addition, it gives you both the transparency of online reporting at any time.

We strongly recommend having a financial adviser linked to your Macquarie Wrap account. Where you don't 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



Fund update

We're pleased to provide you with an update on how we have delivered on our commitments to help you manage and grow your retirement savings using our investment platform.

The Trustee and MIML's management team are focused on delivering four key strategic objectives to improve outcomes for our members. These objectives relate to:

- being a platform that our members can trust,
- providing members with choice and flexibility to assist them in achieving their retirement objectives,
- driving efficiencies to deliver value to members, and
- providing a sustainable platform for the future.

Over the last 12 months, we've implemented a number of initiatives that are aligned with these objectives. Some of our key achievements over the period are outlined below.

A platform you can trust

At the core of our business are our members and their advisers, who put their trust in MIML to help them achieve their retirement goals.

We aim to create an environment of trust through a governance structure that supports the sound and prudent management of our business operations, combined with a culture that promotes transparency and accountability.

In line with this, we have delivered on a number of new regulatory requirements over the period, including:

- the publication of Target Market Determinations (TMDs) for MSP products, which helps your adviser to understand if you are in the target market for the product you're investing in, or are considering investing in,
- the implementation of Advice Fee Consent requirements, which gives you greater control over any advice fees being deducted from your account, and
- the publication of our Retirement Income Strategy, which supports members in achieving their personal retirement income objectives.

Industry-leading digital security

As the number of fraud attempts and scams continues to rise, cyber security remains a key systemic risk in the global economy. To help keep your accounts secure, we've developed Macquarie Authenticator, our industry-leading digital security application.

It sends you push notifications to verify transactions and account changes. This means you always have complete control over your account activity.

We encourage you to download our Macquarie Authenticator app to help protect your account and personal information.

Choice and flexibility

Macquarie's Wrap platform gives you the choice and flexibility to build a superannuation investment portfolio that is suited to your retirement needs and objectives.

An increasing number of our members look for investment opportunities that incorporate environmental, social, and governance (ESG) principles.

We continue to provide a broad range of investment options that have been externally rated based on one or more ESG factors. In the past financial year, we've added 68 investment options to our ESG investment menu.

We recommend speaking to your financial adviser if you're interested in these investment options.

Technology solutions that drive efficiency

Our ongoing investment in our Wrap platform enables you and your adviser to manage your retirement savings in a simple, fast and secure way.

An exceptional digital experience

We're committed to delivering the best possible online experience and we are continually making improvements to our platform.

Many of our Wrap platform applications have now been migrated to the cloud to make the platform a more secure and resilient environment. Your adviser has 24/7 access to your portfolio and reporting, which means they are able to react to a constantly changing market.

We've significantly improved the way your adviser can navigate the portal, manage your account and obtain reports. We have also made it easier for your adviser to securely initiate payments on your behalf, with less paperwork for you to fill out.

In addition, we've started digitising forms to help your adviser initiate and process common transactions and account updates faster and more efficiently.

These changes enable your adviser to be more efficient in managing your account.

Simplification

As part of our long-term strategy, we're always looking for ways to simplify our business. This includes decommissioning systems and consolidating products where appropriate. In the past year, we've:

- moved all Definitive Superannuation Plan members to the Macquarie Superannuation Plan to improve outcomes for these members, and
- simplified the systems and processes used for the execution and settlement of trades made on the Wrap platform.

A sustainable platform

Providing you with superannuation solutions is a long-term commitment and we are dedicated to maintaining a sustainable and competitive business.

We're always focused on improving how we operate our business so that we can continue to support you, our members, over the long term.

Our membership base has continued to grow strongly during the 2021/22 financial year, with an 8 percent increase in accounts over the period.

We remain well positioned to continue to develop the platform in the future and deliver positive member outcomes.

Thank you

We are committed to supporting you and your adviser throughout ongoing uncertainty and macro-economic challenges, 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 help you build a strong financial future.

Yours sincerely,



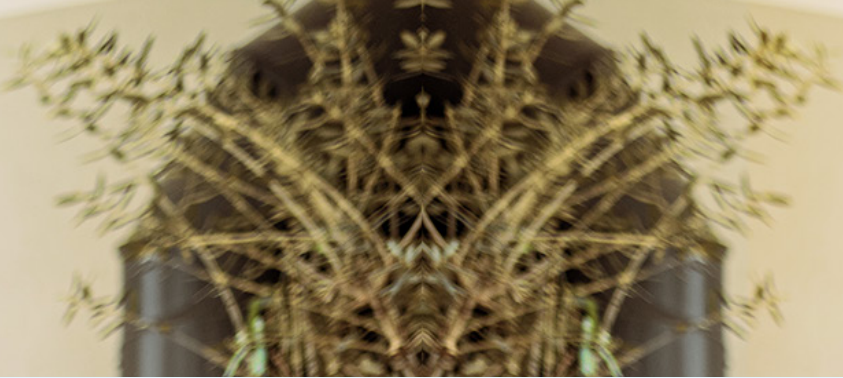
Michelle Weber

Executive Director
Head of Wealth Product & Technology

Who we are

Over the past year,
we've continued to
empower our members
to maximise their
retirement outcomes.





As at 30 June 2022, the Macquarie Superannuation Plan had:



\$31.8b

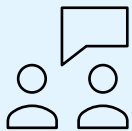
funds invested



over

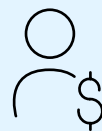
104,000

member accounts, of which
64% are accumulation accounts
and **36%** are pension accounts



91%

of members with a
financial adviser linked
to their account



an average account balance of

\$324,000



The financial year in review

Economic review¹

The global economic environment

The global economy weakened considerably during the first six months of 2022, in contrast to the strength of the previous six months, as it dealt with surging inflation and central banks hiking interest rates. The inflation problem that began last year got steadily worse, proving to be higher and less transitory than previously expected, as consumer price indices posted multi-decade high growth rates.

Central banks were forced to raise rates more sharply and earlier than initially anticipated, in an attempt to bring inflation under control. In March the U.S. Federal Reserve (the Fed) hiked rates for the first time since 2018 and followed that with two more outsized hikes by the end of June, in the fastest rate hike cycle in decades. Most other central banks followed suit.

Markets became increasingly concerned that central banks would raise rates so sharply that economies would fall into a 'hard landing' or recession. Underscoring this were repeated statements by the Fed's Chair Jay Powell that the Fed would do whatever it takes to tame inflation. The bond market appeared to be increasingly pricing in this risk, with the yield curve inverting in April, an event that has historically preceded recessions

Additionally, a further hit to the global economy came from the Russian invasion of Ukraine in February, which sparked a sharp rise in agricultural prices and another surge in energy-related commodity prices and consumer energy bills, particularly in Europe.

Economic growth continued to weaken in the face of sharply rising interest rates and inflation and consumer confidence plunged as high inflation eroded real incomes. The U.S. recorded two consecutive quarters of negative GDP growth in Q1 and Q2, signifying a technical recession. Yet, despite the weakening backdrop, labour markets remained a bright spot with unemployment rates falling to multi-decade lows.

The Chinese economy was a laggard as it dealt with the impact of stringent lockdowns stemming from the government's "zero COVID" policy, which resulted in repeated shutdowns of major manufacturing centres. Another hit came from a sharply deteriorating property market. The Chinese authorities responded with various stimulus measures to boost the economy.

Major currency news was the strengthening of the U.S. Dollar against most major currencies. The rally was driven by aggressive interest rate hikes by the Fed, which saw interest rate differentials rising in favour of the U.S. Dollar relative to other currencies.

1. The information provided in this economic review is based on information as at 30 June 2022 and is derived from sources that are believed to be reliable at that time.

The Australian economic environment

Momentum in the Australian economy for the first six months of 2022 remained reasonably strong, particularly relative to other economies, boosted by a relaxation of COVID-related restrictions. As was the case overseas, the labour market was exceptionally strong, with the unemployment rate declining to a 48 year low of 3.5%.

The economy was beginning to face a myriad of capacity constraints and domestic inflation surged, albeit less so than overseas, forcing the Reserve Bank of Australia (RBA) to begin its rate hike cycle. The RBA abruptly pivoted from its previous position in October that rates would not go up until 2024 to raising rates by 25 basis points in May, its first hike since 2010. The RBA followed this up with another 50 basis points increase in June.

Cracks began to appear in the previously red-hot housing market as rising mortgage rates, worsening affordability and deteriorating consumer sentiment took a toll. House prices began to fall, with the magnitude of the falls progressively increasing each month.

The Federal Budget announced in March saw, among other policies, cash handouts and fuel excise cuts designed to alleviate cost of living pressures for households. The Australian federal election in May resulted in a win for the ALP and the first change of government since 2013. One of the new government's signature new policies was climate related, with the ALP committing to a 43% reduction in greenhouse gas emissions relative to 2005 levels by 2030.

The iron ore price suffered a sharp price fall as the Chinese property sector, a big consumer of Australian iron ore, weakened. However, sharply rising prices for agricultural commodities such as wheat and energy-related commodities such as thermal coal and natural gas helped offset the hit to Australian exports from the falling iron ore price.

The Australian Dollar rallied against most major currencies, with the notable exception of the U.S. Dollar, driven in part by elevated commodity exports.



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, Separately Managed Accounts (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/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.
Investment Menu availability	Engage, Elevate	Engage, Elevate
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 ¹ to 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)

1. 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.
Investment Menu availability	Elevate	Elevate	Elevate
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

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.
Investment Menu availability	Elevate	Elevate	Elevate
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.
Investment Menu availability	Elevate	Elevate	Elevate
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).
Investment Menu availability	Elevate	Elevate	Elevate
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.
Investment Menu availability	Elevate
Target return (% pa)	6.0% to 9.0% ¹
Target risk (% pa)	16.0% to 23.5% ¹
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/LICs² • Listed property investments²

1. Range assumes a diversified investment portfolio.

2. 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.

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.	Diversified mix of income assets such as money market and fixed interest securities, and growth assets such as property, shares and alternative.	Diversified mix of income assets such as money market and fixed interest securities, and growth assets such as property, shares and alternative investments.
Investment Menu availability	Engage, Elevate	Engage, Elevate	Engage, Elevate
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	30/06/2022
Cash ¹	12.1%	13.6%
Commodities	0.1%	0.1%
Australian equities	32.7%	31.6%
International equities	26.2%	25.4%
Australian fixed interest	10.4%	10.6%
International fixed interest	10.6%	11.0%
Property	4.9%	4.6%
Other	3.0%	3.1%
Total	100.0%	100.0%

1. Includes term deposits.

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

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 party².

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 2022 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.

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 whose investments are available on the Investment Menu 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 make available 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.

Amendments to the Fund's trust deed

The trust deed of the Fund was amended in relation to:

- a successor fund transfer of members of the Definitive Superannuation Plan to the Fund on or about 15 June 2022, 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 Definitive Superannuation Plan in respect of the benefits
- the administration fees that the Trustee is permitted to charge to Fund members who were former members of the SuperOptions Division
- the introduction of the operational risk financial requirement (ORFR) fee including the establishment of a General Reserve for the Fund and permitting the Trustee to establish Reserve and Taxation Reserve Accounts for the whole Fund rather than separate Divisions.

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

Significant events

A significant event notice was issued to all members to notify them of changes to their account, effective 1 October 2021.

The changes included:

- the introduction of the Operational Risk Financial Requirement (ORFR) Fee (not applicable for previous SuperOptions members and ADF Super Fixed Pension Plan transferees)
- disclosure of the regulatory and operating expenses the Trustee will recover from the superannuation fund (not applicable for ADF Super Fixed Pension Plan transferees)
- for members in Consolidator, Manager II and Consolidator II, a change in the variable fee range for the cash administration fee on the Cash Hub
- a change to the way we disclose fees and costs to meet new regulatory requirements
- additional disclosures relating to the commencement of the Design and Distribution Obligations, such as making available target market determinations, restricting investments choices for accounts without a linked adviser and restricting advisers' ability to transact in certain circumstances.
- changes to the complaints processes to meet new regulatory timeframes.

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



Changes to offer documents

Changes were made to a number of offer documents for the products offered through the Fund, as follows:

A PDS was issued for Super and Pension Manager II and Super and Pension Consolidator II on 1 October 2021.

An updated Technical Information Booklet (TIB) was issued on 1 July 2021.



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 Life
- OnePath Life
- AIA Australia
- TAL Life.

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 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:

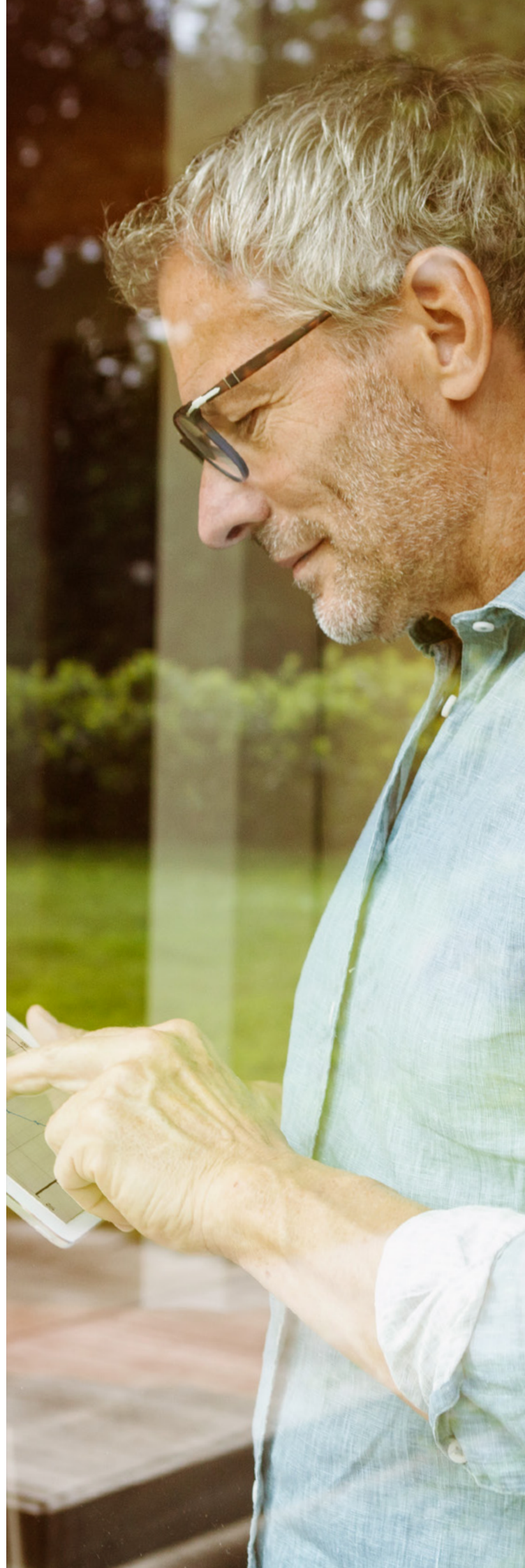
Attention: The Claims Manager

✍ Macquarie Investment Management Limited
GPO Box 4045
Sydney NSW 2001

✉ 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](https://www.macquarie.com/yourwrap)



Legislative and regulatory change

A number of new laws and regulatory changes were introduced since the beginning of the 2021/22 financial year.



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 2023.

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, 2021/22 and 2022/23
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%

2021 Federal Budget Super changes

The Government announced a number of changes to the superannuation system in the 2021 Federal Budget

The following changes have now been legislated:

- the removal of the monthly minimum threshold (currently \$450 a month) for salary or wages to receive superannuation guarantee contributions, starting from 1 July 2022
- increasing the maximum releasable amount under the First Home Super Saver Scheme from \$30,000 to \$50,000, starting in the 2022/23 financial year
- reducing the eligibility age to make downsizer contributions from age 65 to age 60, starting in the 2022/23 financial year. It is proposed that the minimum age to make downsizer contributions be further reduced to 55 - not law at the time of writing
- increasing the maximum eligibility age to utilise the bring forward rule for making non-concessional contributions from the year the individual turns 67 to the year the individual turns 75 (contributions must be received by the 28th day after the month the individual turns 75), starting in the 2022/23 financial year
- amendments to allow individuals aged 67 to 75 (up to the 28th day after the month the individual turns 75) to make certain contributions, including non-concessional and salary sacrifice contributions to superannuation, without the need to meet the work test or work test exemption starting in the 2022/23 financial year. The work test will still be required for personal deductible concessional contributions.



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 are 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 following rates and thresholds applied from 1 July 2021:

- General transfer balance cap: \$1,700,000
- concessional contribution cap: \$27,500
- non-concessional contribution cap: \$110,000
- lifetime small business CGT cap: \$1,615,000
- low rate cap: \$225,000
- untaxed cap: \$1,615,000.

Superannuation Guarantee

The Superannuation Guarantee (SG) rate increased from 10 per cent to 10.5 per cent on 1 July 2022.

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. There is a cost associated with the ORFR and from 1 October 2021, a new administration fee named the ORFR fee was introduced.

General Reserve

During the 2021/22 year the Trustee established a General Reserve. This Reserve was established so that the Trustee could utilise, on behalf of members, accumulated benefits in the Taxation Reserve that relate to Fund level deductions and to provide a more equitable distribution of forfeited tax benefits that arise on an annual basis.

The Trustee uses the funds in the Reserve to pay regulatory expenses incurred by the Trustee and, on behalf of members, the Operational Risk Financial Reserve fee, so that a direct charge is not made to member accounts. The Trustee will continue to use the Reserve in this manner until the Reserve reaches a level that doing so is unsustainable.

The Trustee manages the funds in the Reserve in accordance with the Trustee's Reserve Policy for the Fund. The General Reserve is kept separate from any money and assets held by the Trustee personally and is 100% invested in cash investments.

During the 2021/22 year, the General Reserve was funded by a credit from the Taxation Reserve of \$30,156,008 in February 2022. Subsequent debits as noted above occurred to reduce the balance since that time.

More detailed financial information about the General Reserve over the reporting period is available upon request by contacting your adviser or us on 1800 025 063.

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 and to provide funding for the General Reserve as noted above. 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.

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 in January 2023.

Financial Services Council

MIML is a member of the Financial Services Council and complies with the relevant Financial Services Council Standards.

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](https://www.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](https://www.macquarie.com/yourwrap)



Further information

More information about the Fund is available from [macquarie.com/yourwrap](https://www.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 of the Macquarie Superannuation Plan, 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.

The Trustee has completed its member outcomes assessment for the Fund for the period 1 April 2021 to 31 March 2022.

You can read a summary of the Fund's member outcomes assessment online at [macquarie.com/yourwrap](https://www.macquarie.com/yourwrap)

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 2021/22 financial year, the Fund held investments directly or indirectly invested in enterprises or groups of enterprises under the control of the following companies with a value of greater than 5 per cent of the Fund's total assets:

- Macquarie Group Limited (\$9.112 billion)
- Dimensional Funds Australia Limited (\$5.120 billion), and
- Vanguard Investments Australia Limited (\$5.376 billion).

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

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](https://www.macquarie.com.au/feedback-and-complaints.html) or

b. write to us at:

 **The Complaints Manager**
Macquarie Wrap
GPO Box 4045 Sydney NSW 2001

 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).




Further information


Further information is available from either your adviser, by contacting us or online at [macquarie.com/yourwrap](https://www.macquarie.com/yourwrap)

Australian Financial Complaints Authority

You can contact AFCA as follows, quoting membership number 10635:

 **GPO Box 3**
Melbourne VIC 3001

 info@afca.org.au

 **1800 931 678 (free call)**


 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

 customeradvocate@macquarie.com



Financial statements of the Fund

This annual report contains abridged financial information for the financial year ended 30 June 2022 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 2022

	2022 \$'000	2021 \$'000
Superannuation activities		
Investment revenue		
Interest	11,204	5,102
Distributions from unit trusts	865,479	999,252
Dividends	305,703	189,692
Net changes in investments measured at fair value	(3,562,395)	3,299,431
Total investment (loss)/ revenue	(2,380,009)	4,493,477
Total (loss)/revenue from superannuation activities	(2,380,009)	4,493,477
Expenses		
Operating expenses	278,731	246,371
Total expenses	278,731	246,371
Net (loss)/Income from superannuation activities	(2,658,740)	4,247,106
Income tax benefit/(expense)	151,041	(90,753)
(Loss)/Profit before income tax	(2,507,699)	4,156,353
Less: Net (losses)/benefits allocated to members' accounts	(2,507,699)	4,156,353
Net result	-	-

Statement of financial position as at 30 June 2022

	2022 \$'000	2021 \$'000
Assets		
Cash and cash equivalents	3,217,919	2,802,578
Investments	28,295,219	27,915,389
Receivables	278,462	308,375
Current tax asset	-	16,098
Deferred tax asset	25,154	
Total assets	31,816,754	31,042,440
Liabilities		
Trade and other payables	23,991	22,807
Current tax liability	17,667	-
Deferred tax liability	-	175,268
Total liabilities excluding member benefits	41,658	198,075
Net assets available for member benefits	31,775,096	30,844,365
Defined contribution member benefits	31,740,719	30,809,562
Total net assets	34,377	34,803
Equity		
Tax reserve	9,309	34,803
General reserve	25,068	-
Total equity	34,377	34,803

Statement of changes in member benefits as at 30 June 2022

	2022 \$'000	2021 \$'000
Opening balance of member benefits	30,844,365	23,871,459
Contributions		
Transfers in from other superannuation plans	4,165,760	3,712,967
Member	1,425,042	984,509
Employer	443,947	371,416
Government co-contributions	601	568
Successor fund transfer	74,524	-
Income tax on contributions		
Contributions tax	(106,517)	(64,098)
Contributions net of tax	6,003,357	5,005,362
Transfers out to other superannuation plans	(1,061,662)	(935,601)
Benefits paid to members	(1,472,208)	(1,224,742)
Insurance premiums charged to members' accounts	(47,521)	(47,344)
Death and disability benefits credited to members' accounts	16,463	18,878
Benefits allocated to members' accounts comprising:		
Net investment (loss)/income	(2,380,009)	4,493,477
Operating expenses	(278,731)	(246,371)
Income tax benefit/(expense)	151,042	(90,753)
Closing balance of member benefits	31,775,096	30,844,365



The full financial information is available upon request by contacting your adviser or us on **1800 025 063**.



Mailing address

**Macquarie Investment
Management Limited**
GPO Box 4045
Sydney NSW 2001



Office addresses

New South Wales
1 Shelley Street
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





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](https://www.macquarie.com.au).

[macquarie.com.au](https://www.macquarie.com.au)