

Macquarie Wrap Super

Annual Report to members
for the year ended 30 June 2023



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 2023, 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 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 24 November 2023 and is general information only. We have not taken into account your objectives, financial situation or needs. You should consider the appropriateness of this information, taking into account your objectives, financial situation and needs and the applicable Product Disclosure Statement (PDS) available from us or your adviser, before acting on any of the information in this annual report.

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Welcome

November 2023

Welcome to the 2023 Annual Report for the Macquarie Superannuation Plan.

Over the past 12 months, the Government has continued to focus on the growing number of superannuation members transitioning to retirement. As more Australians start to prepare for retirement, access to quality, affordable financial advice will become more important.

Earlier this year, the Government publicly released the Final Report from the independent Quality of Advice Review. The Review considered how the existing regulatory framework could be improved so that Australians can have better access to financial advice. The Government's response to the Quality of Advice Review was released in June 2023, as part of its 'Delivering Better Financial Outcomes' package.

The Government has accepted most of the recommendations from the Review and is progressing legislation to implement the recommendations in three streams:

- focusing on removing red tape that adds to the cost of advice,
- expanding access to retirement income advice, and
- exploring new channels for advice.

The Board and Management team of Macquarie Investment Management Limited (MIML) welcome these reforms. As an adviser-led platform, we believe that improving access to financial advice, at a reasonable cost, will improve the financial outcomes for more Australians.

Our retirement income strategy

To support our members who have retired or are approaching retirement, we're continuing to deliver our retirement income strategy.

Our retirement income strategy considers how we can assist members to meet their likely retirement income needs, whilst continuing to provide members with choice and flexibility to manage and invest their retirement savings.

Through our strategy, we aim to give members the products, tools and resources to help them achieve their targeted financial outcomes in retirement. Some of the resources we've made available so far include educational articles on key retirement topics, as well as articles highlighting the benefits of financial advice. We've also added an option to receive pension payments fortnightly to give members more flexibility to manage their expenses in retirement.

In addition, MIML is conscious of the role and importance of financial advisers in helping members to achieve their financial goals leading into, and during, retirement. MIML's retirement income strategy has taken this relationship into consideration, while also balancing the needs of those members who don't have a financial adviser.

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

Protecting your assets

As the number of fraud attempts and scams continues to rise, cyber security remains a key concern for many members. According to Scamwatch, in 2022, Australians lost at least \$10 million to identity theft. As this type of scam is becoming more common, we encourage you to download our Macquarie Authenticator app to help protect your account and personal information.

Alongside Macquarie's award-winning digital banking app, Authenticator prompts you to verify transactions and account changes with a simple and secure press of a button, even when you're travelling overseas, or when SMS is delayed or unavailable.

Further information on how to protect your accounts is available at macquarie.com.au/security-and-fraud.

2023 Annual Members' Meeting

We'll be holding our Annual Members' Meeting, virtually, on 5 December 2023. During the meeting, we'll update you on our key achievements and operations, and you'll have the opportunity to ask our Directors and Executive team questions. Invitations to the virtual event were sent in early November 2023.

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

Thank you

On behalf of the Board, our Executive team and all 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 (SMAs), 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 wapsolutions@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've delivered on our commitments to help you manage and grow your retirement savings using our investment platform.

In June 2023, Australia's superannuation industry reached a new milestone with over \$3.5 trillion in total superannuation assets. This represents a 7.6 per cent increase over the past 12 months, driven by strong contribution inflows, reflecting higher employment growth, higher wage inflation and strong investment market returns.

Over the past year, strong overall growth has been tempered with increasing inflation and cost of living for many of our members. We remain committed to our members and their advisers throughout this period and we are focused on developing the products and tools you and your adviser need to achieve your financial goals

We'd like to highlight some of the key enhancements we've made for you over the period below.

Increased investment choice

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.

Over the year, we've added over 130 investment options to our investment menu. Our Macquarie Wrap Super Investment Menu now has over 735 managed funds and 398 SMAs to choose from, as well as a large range of listed securities, offering you and your adviser choice and flexibility to tailor your investment portfolio.

All investment options added to our investment menu undergo rigorous initial and ongoing due diligence from our Investment Governance Team.

An evolving digital ecosystem

We've been investing in the ongoing evolution of our platform, so that you and your adviser can focus on what's important - achieving your financial goals.

Over the last twelve months, we've been simplifying and upgrading our Platform, building an even more reliable technology foundation that will enable us to release future improvements at speed.

A number of our key processes have been digitised to help your adviser initiate and process common transactions and account updates faster, more efficiently and more securely.

We've rolled out live chat to help your adviser quickly resolve queries with us. We can attend to a live chat request three times faster than to a phone call. Live chat also allows us to include links to the information your adviser needs.

We've also significantly uplifted our reporting capabilities, giving your adviser easier access to performance insights and data, which they can share with you when discussing your investments.

All of these improvements support your adviser to efficiently manage your account.

A sustainable platform

We understand that providing you with superannuation products and services is a long-term commitment. We're focused on maintaining a sustainable and competitive business by continually improving how we operate so that we can continue to support you over the long term.

Pleasingly, our membership base has continued to grow strongly during the 2022/23 financial year, with an 8 per cent increase in accounts over the period.

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

Our commitment to diversity

The diversity of the MIML's Board and Management team is fundamental to our success. Our ongoing commitment to diversity supports the business to remain innovative and sustainable and to continue to meet the evolving needs of members.

To achieve this, the MIML Board and Management have set diversity objectives structured around three pillars:

- A diverse board composition,
- An inclusive and equitable workplace, and
- Integration and awareness.

We are satisfied with our progress against these objectives and we remain fully committed to maintaining our diversity objectives.

Thank you

We are committed to supporting you and your adviser, and I'd like to personally thank you for your continued trust. It underpins our ability to deliver more for you, and we take this responsibility seriously.

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,

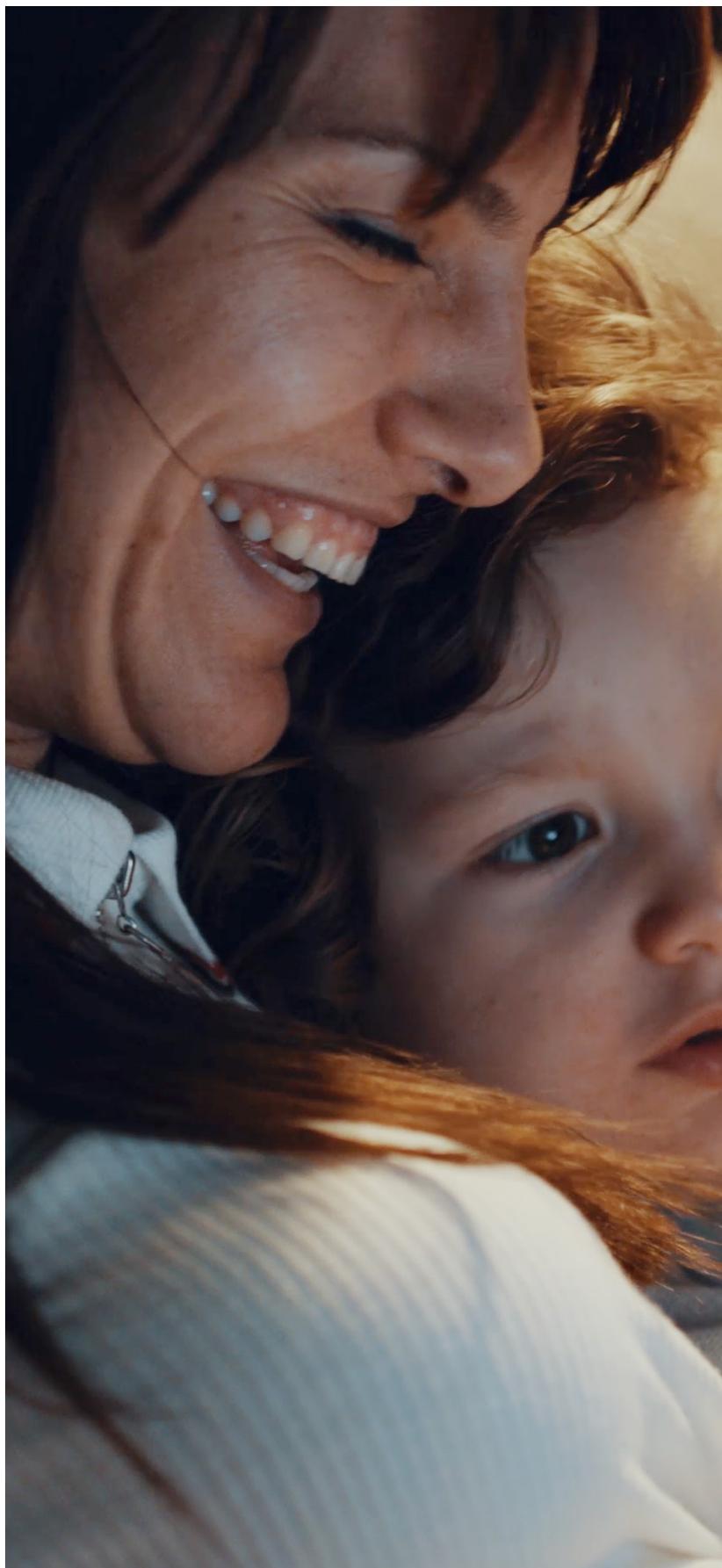


Michelle Weber

Executive Director
Head of Wealth Platform

Who we are

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



As at 30 June 2023, the Macquarie Superannuation Plan has:



\$37.64b

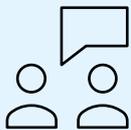
funds invested



over

114,000

member accounts, of which **63%** are accumulation accounts and **37%** are pension accounts



91%

of members with a financial adviser linked to their account



an average account balance of

\$351,000



The financial year in review

Economic review¹

The global economic environment

It was a tale of two halves for the global economy over the financial year. Sharply rising interest rates and stubbornly high inflation began to meaningfully slow economic growth across the global economy in the first six months of the financial year, raising fears of an imminent global recession.

However, in the second half of the financial year, spurred on by steadily declining inflation, hopes began to rise that central banks might successfully engineer an economic 'soft landing'.

The surge in inflation forced central banks to embark on the sharpest rate hike cycle in decades in order to bring inflation back under control. Over the financial year the U.S. Federal Reserve raised the Federal Funds target rate by a cumulative 350 basis points from 1.50-1.75% to 5.00-5.25%, with other central banks following suit.

There was a divergence between the relatively weak performance of the manufacturing sector and the strong performance of the services sector. The strength in services manifested itself in robust labour markets and multi-decade low unemployment rates across many developed economies.

While goods inflation peaked in June 2022 as supply chains began to normalise, services inflation proved stickier and did not decisively recede until several months later. By the end of the financial year, inflation measures were down from their peaks but they remained substantially above central bank target bands.

In July 2022, the yield on the U.S. two-year Treasury bond rose above the 10-year yield, a phenomenon known as an 'inverted' yield curve, and a significant event given this has historically preceded recessions. The U.S. two-year Treasury bond yield rose to over 5% - its highest level since 2008, while the U.S. 10-year Treasury bond yield rose to 4.2% - its highest level since 2007.

The Chinese economy started the financial year still disrupted by the impact of stringent lockdowns stemming from the government's 'zero COVID' policy, which also resulted in a major property downturn. However, in November 2022, China relaxed its COVID controls and announced measures to support the property sector. The economy initially rebounded before losing momentum after authorities 'tapered' their policy support in April 2023.

1. The information provided in this economic review is based on information as at 30 June 2023 and is derived from sources that are believed to be reliable.

The U.S. Dollar initially strengthened against most major currencies, driven by expectations of a relatively more aggressive U.S. rate hike cycle, which has the potential to make U.S. interest-bearing investment relatively more attractive. Reflecting these expectations, the U.S. Dollar Index hit its highest level since 2002. However, the U.S. Dollar then weakened from its highs as other central banks began to play 'catch-up' and raised rates to combat their own domestic inflation concerns.

The Australian economic environment

Australia's economy was resilient during the year and outpaced most global peers, aided by strong growth in exports and a sharp increase in immigration. The labour market continued to tighten with the unemployment rate reaching a 48-year low of 3.4% in October 2022. However, consumer sentiment remained in the doldrums, hit by high inflation and rising interest rates. As was the case overseas, inflation rose sharply, hitting a 12-month rate of 7.8% in the December quarter - the highest rate since 1990.

In response, the Reserve Bank of Australia joined other central banks in hiking interest rates sharply in order to bring Australian inflation back down to its 2-3% target. The cash rate was increased on 10 occasions, albeit with a pause in April 2023, increasing the rate to 4.10% from 0.85% in June 2022.

Australian house prices initially fell, bottoming in February 2023 with a decline of approximately 10% from their April 2022 peak. However, the temporary pause in interest rate hikes in April 2023, low turnover and a tight rental market subsequently led to a rebound in housing prices.

The Federal Budget delivered in May posted a surplus, having forecast a deficit in the previous October 2022 Budget. This was the first surplus in 15 years with the turnaround due primarily to a surge in company tax revenue from the resources sector.

Commodity prices generally fell, in part due to concerns over the global and particularly Chinese economic conditions, as well as receding concerns about the financial impacts of the war in Ukraine. The U.S. Dollar prices of major Australian export commodities, such as coal and iron ore, fell sharply although export revenues remained elevated due to the combination of steady export volumes and a decline in the Australian Dollar.

The Australian Dollar fell against most major currencies, particularly against the U.S. Dollar, due primarily to weak commodity prices and a rising interest rate differential in favour of the U.S.



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.

Fund investment strategies

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 formulated a range of investment strategies and categorised investments appropriate to those strategies. 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 PDS.

Your Portfolio

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. This section outlines the general characteristics of the investment strategies available. You may choose investments from these strategies.

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/investing/yourwrap or from your adviser. You should consider the PDS and target market determination 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%	3.0% to 5.0%
Target risk (% pa)	0.5% to 1.5%	2.0% to 5.0%
Standard Risk Measure (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.
Target return (% pa)	2.0% to 5.0%	3.0% to 6.0%	6.0% to 8.0%
Target risk (% pa)	2.5% to 6.5%	4.0% to 11.5%	9.5% to 15.5%
SRM range	5 to 6	5 to 6	6 to 7
Suggested minimum timeframe	6 years	7 years	6 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 7.5%	6.0% to 9.0%	5.5% to 7.5%
Target risk (% pa)	10.0% to 17.5%	16.0% to 20.0%	10.5% 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.
Target return (% pa)	4.5% to 8.0%	4.0% to 9.0%	2.0% to 3.0%
Target risk (% pa)	10.5% to 22.5%	6.0% to 11.5%	17.5% to 21.5%
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%	5.0% to 7.0%
Target risk (% pa)	6.0% to 11.0%	6.0% to 7.5%	5.5% 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)	7.0% to 9.0%	4.5% to 5.5%	6.5% to 9.5%
Target risk (% pa)	7.0% to 9.0%	4.0% to 5.5%	11.0% to 24.0%
SRM range	5 to 6	4 to 6	6 to 7
Suggested minimum timeframe	5 years	5 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% ¹
Target risk (% pa)	18.5% to 21.5% 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.
Target return (% pa)	3.0% to 6.0%	4.5% to 7.5%	6.0% to 9.0%
Target risk (% pa)	2.5% to 8.0%	4.0% to 13.0%	8.0% to 16.5%
SRM range	4	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	30/06/2022	30/06/2023
Cash ¹	13.6%	14.21%
Commodities	0.1%	0.1%
Australian equities	31.6%	30.29%
International equities	25.4%	25.6%
Australian fixed interest	10.6%	10.4%
International fixed interest	11.0%	10.6%
Property	4.6%	4.6%
Other	3.1%	4.2%
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 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 2023 for details of the investment performance relating to your chosen investments.

1. Includes term deposits.

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



Market risk monitoring

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

The market risk analysis 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 to remove Macquarie Life Limited from the trust deed. Macquarie Life Limited no longer holds a role in relation to the Macquarie Superannuation Plan and has been wound up. Macquarie Life Limited has been replaced as the "Nominator" under the trust deed by Macquarie Bank Limited.

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

Significant events

A significant event notice was issued to members holding Macquarie Super and Pension Consolidator, Macquarie Super and Pension Consolidator II and Macquarie Super and Pension Manager II accounts to notify them of changes to their account, effective 1 September 2022.

The changes included:

- An increase in the estimated range of the Cash Hub Administration fee applied to the balance in the Wrap Cash Hub.
- A reduction in the minimum interest rate paid on the Wrap Cash Hub.

Members holding Macquarie Super and Pension Consolidator II and Macquarie Super and Pension Manager II accounts were also notified of a change in the way we disclose fees and costs in the offer document to meet new regulatory requirements.

A copy of all significant event notices can be accessed at macquarie.com.au/investing/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 September 2022.

An updated Technical Information Booklet (TIB) was issued on 1 July 2022.



A copy of the latest offer documents can be accessed at macquarie.com.au/investing/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 dependents 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
- 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 tailored life insurance solutions through Macquarie, we suggest you contact your financial adviser.

Insurance claims process

Your insurance provider will guide and support you through the insurance claims process. For details on each insurer's claims philosophy and how to make a claim, please visit

macquarie.com.au/investing/yourwrap

✍ Macquarie Investment Management Limited
GPO Box 4045
Sydney NSW 2001

✉ wrapolutions@macquarie.com



Legislative and regulatory change

A number of new laws and regulatory changes have been introduced since the beginning of the 2022/23 financial year.



Temporary reduction to minimum pension requirements

The Government 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%

From 1 July 2023 the standard minimum payments rates apply.

First Home Super Saver Scheme

From 1 July 2022, the maximum releasable amount under the First Home Super Saver Scheme was increased from \$30,000 to \$50,000. The maximum contributions that count towards the scheme of \$15,000 per financial year remains the same.

Superannuation guarantee

From 1 July 2022, the \$450 monthly minimum threshold for salary or wages to receive superannuation guarantee contributions was removed.

Removal of work test

From 1 July 2022, individuals aged 67 to 75 (up to the 28th day after the month the individual turns 75) are able 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. The work test is still required for those wanting to claim a tax deduction for personal contributions.

Contribution caps continue to limit the amount that can be contributed to superannuation on a concessional basis.

Downsizer contributions

From 1 July 2022, the minimum eligibility age to make downsizer contributions was reduced from age 65 to age 60 and from 1 January 2023 was further reduced to age 55.



Key super rates and thresholds

The following rates and thresholds applied from 1 July 2022:

- lifetime small business CGT cap: \$1,650,000
- low rate cap: \$230,000.

The general transfer balance cap increased from \$1.7 million to \$1.9 million from 1 July 2023. Importantly, an individual's transfer balance cap is determined based on their unique circumstances. Some individuals will benefit from the full increase in the transfer balance cap, others may receive a partial increase and for some, their transfer balance cap will not change. Transfer balance cap information can be found in the Australian Taxation Office section of MyGov or sourced from an individual's tax agent.

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 1 July 2025.

Superannuation concessions

During the period the Government announced it will reduce superannuation tax concessions available to individuals whose total superannuation balances exceed \$3 million. From 1 July 2025, earnings attributed to superannuation balances over \$3 million will be subject to a new 15 per cent tax. At the time of completing this Annual Report this proposal was not yet law.

Key information about the Fund

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

Ongoing electronic disclosure

At times, we may need to contact you and provide required disclosure. We prefer to do this via an email address you or your financial adviser have nominated or via 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, or you'd like to update your email address, please contact us on 1800 025 063.

Any email address you provide to us for these purposes should be an email address that you access regularly and 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's your responsibility to regularly check your email address or the online portal to access ongoing disclosure in relation to your account.

APRA Performance Test

The Your Future, Your Super reforms that came into effect in 2021 included the introduction of an annual performance test to address underperformance in superannuation products. The test, conducted by APRA, initially applied to MySuper products only, with the first test completed in August 2021, but was extended to include certain choice superannuation products in August 2023.

A number of the investment options issued by another Macquarie Group entity that are available through the Fund's investment menu were included in the performance test this year. We're pleased to confirm that all these investment options have met the requirements of the test.

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.

The cost is paid, in first instance, from the Fund's reserves. Where the Fund's reserves are not sufficient to cover part or all the cost, the ORFR fee will be charged to your account. Before we charge your account, or if the amount we charge for this fee increases, we will provide you with notice as required by law.

General Reserve

The General 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.

The balance of the General Reserve at the end of the financial year was approximately \$20,840,000.

More detailed financial information about the General Reserve over the reporting period is available in the [Financial statements of the Fund](#) section of this annual report.

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.

The balance of the Taxation Reserve as at 30 June 2023 was approximately \$6,925,000.

More detailed financial information about the Taxation Reserve over the reporting period is available in the **Financial statements of the Fund** section of this annual report.

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 2024.

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.au/investing/yourwrap

Accessing your Annual Report

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





Further information

More information about the Fund is available from macquarie.com.au/investing/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 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 2022 to 31 March 2023.

You can read a summary of the Fund's member outcomes assessment online at macquarie.com.au/investing/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 2022/23 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 (\$12.307 billion)
- Dimensional Funds Australia Limited (\$5.891 billion), and
- Vanguard Investments Australia Limited (\$6.025 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 or

b. write to us at:

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

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.au/investing/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

Macquarie Customer Advocate

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 2023 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 2023

	2023 \$'000	2022 \$'000
Superannuation activities		
Investment revenue		
Interest	88,332	11,204
Distributions from unit trusts	930,931	865,479
Dividends	293,907	305,703
Net changes in investments measured at fair value	1,698,335	(3,562,395)
Total investment revenue/ (loss)	3,011,505	(2,380,009)
Total revenue/(loss) from superannuation activities	3,011,505	(2,380,009)
Expenses		
Operating expenses	320,988	278,731
Total expenses	320,988	278,731
Net income/ (loss) from superannuation activities	2,690,517	(2,658,740)
Income tax benefit	94,093	151,041
Profit/(Loss) after income tax	2,784,610	(2,507,699)
Less: Net benefits/ (losses) allocated to members' accounts	2,784,610	(2,507,699)
Net result	-	-

Statement of financial position as at 30 June 2023

	2023 \$'000	2022 \$'000
Assets		
Cash and cash equivalents	3,541,250	3,217,919
Investments	33,962,887	28,295,219
Receivables	280,927	278,462
Current tax asset	37,343	-
Deferred tax asset	-	25,154
Total assets	37,822,407	31,816,754
Liabilities		
Trade and other payables	33,336	22,807
Current tax liability	-	-
Deferred tax liability	65,185	175,268
Total liabilities excluding member benefits	98,521	198,075
Net assets available for member benefits	37,723,886	30,844,365
Defined contribution member benefits	37,696,121	30,809,562
Total net assets	27,765	34,803
Equity		
Tax reserve	6,925	9,309
General reserve	20,840	25,068
Total equity	27,765	34,377

Statement of changes in member benefits as at 30 June 2023

	2023 \$'000	2022 \$'000
Opening balance of member benefits	31,775,096	30,844,365
Contributions		
Transfers in from other superannuation plans	4,259,882	4,165,760
Member	1,927,181	1,425,042
Employer	520,703	443,947
Government co-contributions	665	601
Successor fund transfer	-	74,524
Income tax on contributions	-	-
Contributions tax	(129,776)	(106,517)
Contributions net of tax	6,578,655	6,003,357
Transfers out to other superannuation plans	(1,375,886)	(1,061,662)
Benefits paid to members	(2,012,973)	(1,472,208)
Insurance premiums charged to members' accounts	(48,188)	(47,521)
Death and disability benefits credited to members' accounts	22,572	16,463
Benefits allocated to members' accounts comprising:		
Net investment income/ (loss)	3,011,505	(2,380,009)
Operating expenses	(320,988)	(278,731)
Income tax benefit/(expense)	94,093	151,042
Closing balance of member benefits	37,723,886	31,775,096

Statement of changes in reserves for the year ended 30 June 2023

Year ended 30 June 2023	Tax reserve \$'000	General reserve \$'000	Operational risk reserve \$'000	Total equity \$'000
Opening balance	9,309	25,068	-	34,377
Net interest for period	229	1	-	230
Net transfers to reserves	6,925	9,840	-	16,765
Net transfers from reserves	(9,538)	(14,069)	-	(23,607)
Closing balance	6,925	20,840	-	27,765

Year ended 30 June 2022	Tax reserve \$'000	General reserve \$'000	Operational risk reserve \$'000	Total equity \$'000
Opening balance	34,803	-	-	34,803
Net interest for period	1	-	-	1
Net transfers to reserves	4,662	30,156	-	34,818
Net transfers from reserves	(30,157)	(5,088)	-	(35,245)
Closing balance	9,309	25,068	-	34,377

Year ended 30 June 2021	Tax reserve \$'000	General reserve \$'000	Operational risk reserve \$'000	Total equity \$'000
Opening balance	34,803	-	-	34,803
Net interest for period	198	-	-	198
Net transfers to reserves	-	-	-	-
Net transfers from reserves	(198)	-	-	(198)
Closing balance	34,803	-	-	34,803



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.



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