

# Annual Report to members for the year ended 30 June 2020

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



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Macquarie Super and Pension Manager, Macquarie Super and Pension Manager II, Macquarie Super and Pension Consolidator, Macquarie Super and Pension Consolidator II together with Macquarie Super Accumulator (collectively known as Macquarie Wrap Super) form part of a superannuation fund known as the Macquarie Superannuation Plan RSE R1004496. The trustee for the superannuation fund is Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281 (MIML, Macquarie, the Trustee, we, us ,our).

MIML has appointed Bond Street Custodians Limited (BSCL) ABN 57 008 607 065 AFSL 237489 to hold the fund's investments in custody. BSCL and MIML are both Macquarie Group entities. Macquarie Group means Macquarie Group Limited and its related bodies corporate (as defined in the *Corporations Act 2001* (Cth)). MIML is not an authorised deposit-taking institution for the purposes of the *Banking Act (Cth) 1959*, and MIML's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 AFSL 237502 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of MIML.

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

**Neither Macquarie Bank Limited, MIML, Macquarie Life Limited ABN 56 003 963 773 AFSL 237497, Macquarie Equities Limited ABN 41 002 574 923, any other investment managers referred to in this annual report, nor any other member company of the Macquarie Group guarantees the performance of Macquarie Wrap Super or the repayment of capital from Macquarie Wrap Super.**

The information contained in this annual report is dated 30 November 2020 and is general information only. We have not taken into account your objectives, financial situation or needs. You should consider the appropriateness of this information, taking into account your objectives, financial situation and needs and the applicable PDS available from us or your adviser, before acting on any of the information in this annual report.

# Welcome

30 November 2020

Dear Member,

**Welcome to the Annual Report for Super and Pension Manager, Super and Pension Manager II, Super and Pension Consolidator, Super and Pension Consolidator II and Super Accumulator (Macquarie Wrap Super) for the year ended 30 June 2020.**

This Annual Report provides you with general information about the management and financial position of the Fund, a legislative update and details of matters concerning the investments in the Fund. This report should be read with your Annual Statement for the year ended 30 June 2020, which provides details of your benefits in the Fund.

## What happened in the economy during the period?

The Australian economy started the 19/20 financial year struggling through a period of slow growth before being hit with COVID-19 in March. Lockdowns and travel bans helped reduce the impact of the virus but had a significant impact on the economy.

The effect of COVID-19 was felt around the world and led to the sharpest economic downturn since the Great Depression.

The Australian and global economies started to recover in the last few months of FY20 with government support measures boosting spending capacity.

However, hopes of a return to normality were challenged by a second wave of COVID-19 sweeping across many states in the US as well as a ratcheting up of geopolitical tensions between the US and China.

Australia's success so far in containing the virus, effective government support and business flexibility have encouraged optimism and lifted consumer spending. Despite a challenging year, Australia's economy is well positioned to continue its bounce back from COVID-19 in 2021.

We hope you find this year's Annual Report informative and we thank you for your ongoing support.

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

Yours sincerely,



**Michelle Weber**

Division Director  
Macquarie Investment Management Limited

This annual report includes information on:

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

The abridged financial statements relate to the entire Macquarie Superannuation Plan (the Fund), which includes Macquarie Wrap Super and Macquarie SuperOptions.

# The financial year in review<sup>1</sup>

## Economic review

### Global

The first six months of FY20 saw the global economy struggling with a manufacturing downturn exacerbated by US-China trade tensions, culminating in the US Treasury Department designating China as a 'currency manipulator' in August. However, at the end of the calendar year we saw the beginnings of an economic turnaround as central banks enacted a 'U-turn' on monetary policy and US-China trade tensions eased. The recovery received a further boost in early January when the US and China negotiated a 'Phase 1' trade deal, seemingly reducing the risk of a trade war.

Unfortunately, the nascent recovery came to an end in March as the outbreak of COVID-19 escalated into a global pandemic, with one country after another effectively shutting down large parts of their economies with lockdowns in order to contain the virus.

What followed was the sharpest economic downturn since the Great Depression, exemplified by staggering declines in economic activity and massive increases in unemployment rates. China's GDP in the first quarter of CY20 fell an unprecedented 10% on the previous quarter, while nearly 50 million people in the United States filed claims for unemployment benefits from mid-March to the end of June.

Governments and central banks responded with unprecedented fiscal and monetary measures: Governments announced several rounds of progressively larger fiscal spending initiatives and central banks enacted Quantitative Easing measures and sharply slashed policy rates to near zero. The measures eventually appeared to 'staunch the bleeding' and restore some semblance of confidence in the economy and financial system. Equity markets bottomed in late March and then began a very sharp rally that gathered momentum as the intensity of the virus dissipated and economies opened-up as lockdowns eased. Illustrative of the recovery was China's GDP for the second quarter of 2020 rising an unprecedented 11.5% on the previous quarter.

However, the recovery appeared to lose some steam in June as a 'second wave' of the virus, particularly in many US states, brought back lockdowns. This prompted questions about whether the much hoped-for 'V-shaped' recovery would be under threat. Additionally, late in the financial year, political risk flared up again after China approved a national security law for Hong Kong and the United States retaliated by sanctioning Chinese officials and revoking the special treatment extended by law to Hong Kong.

### Australia

For most of the first half of the financial year, the Australian economy battled its way through a 'soft patch', weighed down by a global economic downturn. In response, the RBA cut the official cash rate in early July and again in early October in an effort to stimulate the economy. House prices were one of the few areas of strength. As was the case globally, the Australian economy began to see signs of recovery towards the end of the calendar year, despite the impact of devastating bushfires on the east coast.

Australia was hit by COVID-19 in March and responded with lockdowns and travel bans. This helped restrain the spread of the virus but nevertheless had a major impact on the economy, with the unemployment rate immediately rising to levels not seen for decades.

In response, extraordinary fiscal and monetary support measures were rolled out to cushion the economic fallout and limit the downturn. The Federal Government announced three major stimulus packages, the last one of which included the 'JobKeeper' subsidy to employers affected by lockdowns and the 'JobSeeker' subsidy to unemployed people. The Australian government's fiscal response as a percentage of GDP was one of the largest in the world, helping to ease the pain on the economy.

The RBA slashed the cash rate to a record low of 0.25% with forward guidance for no interest rate hikes until progress is made towards full employment and inflation returns to its 2-3% target. Additionally, the RBA began the unprecedented step of purchasing government bonds and semi-government bonds in the secondary market with the goal of keeping yields on bonds of up to three years in maturity at close to 0.25%.

The progression of the virus was relatively well contained in Australia, which meant that the Australian economy, while not unscathed, was hit relatively less than other major Western economies. As the country slowly lifted social restrictions, consumer spending picked up over the last two months of FY20, with mobility data improving and government support measures and early superannuation withdrawals providing a boost to household cash flow and spending capacity.

The Australian Dollar had a wild ride during the financial year, starting at US \$0.70 then plummeting to US \$0.57 – its lowest level since January 2003 – at the height of the crisis in March, then rallying to finish the financial year at US \$0.69.

# Investment strategies and asset allocation

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

Macquarie Wrap Super allows you to spread your super or pension account across many investment strategies, choosing from a range of investment options and product issuers.

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

Investment strategy	Cash	Enhanced 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 short-term with a medium to high level of capital security.	Aims to achieve stable returns via income and capital growth over the medium to long-term 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 Australian money market securities and fixed interest securities with varying maturities.	Returns driven by exposure to the debts of Australian governments, semi-government, companies and asset backed securities.
Target return (% pa)	1.5% to 2.5%	2.0% to 4.0%	2.5% to 4.5%
Target risk (% pa)	0.5% to 1.0%	0.5% to 4.0%	2.5% to 5.5%
Standard Risk Measure (SRM) range	1	1 to 4	1 <sup>2</sup> to 5
Suggested minimum timeframe	No minimum	4 years	5 years
Sub strategy	N/A	N/A	<ul style="list-style-type: none"> <li>• Term deposits</li> <li>• Annuities</li> <li>• Sector specific</li> <li>• Unsecured notes</li> <li>• Enhanced Specialist</li> <li>• Diversified LICs/LITs</li> </ul>

<sup>2</sup> Term deposits and Annuities are assigned an SRM of 1.

Investment strategy	Global fixed interest	Australian property	Global 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 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 a 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 Australian property equity, in listed, unlisted and direct forms.	Returns driven by exposure to international property equity, in listed, unlisted and direct forms.
Target return (% pa)	2.5% to 5.0%	5.5% to 7.5%	5.0% to 7.0%
Target risk (% pa)	3.0% to 6.0%	8.0% to 18.0%	10.0% to 17.5%
SRM range	4 to 6	5 to 7	6 to 7
Suggested minimum timeframe	6 years	9 years	9 years
Sub strategy	<ul style="list-style-type: none"> <li>• Diversified</li> </ul>	<ul style="list-style-type: none"> <li>• Listed</li> <li>• Unlisted</li> <li>• Diversified</li> </ul>	<ul style="list-style-type: none"> <li>• Listed</li> <li>• Unlisted</li> <li>• Diversified</li> </ul>

Investment strategy	Australian shares	Global shares	Specialised global shares
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 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 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.	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.
Target return (% pa)	6.0% to 9.5%	5.5% to 7.5%	5.0% to 8.5%
Target risk (% pa)	14.5% to 20.5%	10.5% to 17.0%	10.5% to 23.5%
SRM range	6 to 7	6 to 7	6 to 7
Suggested minimum timeframe	6 years	6 years	8 years
Sub strategy	<ul style="list-style-type: none"> <li>• Index</li> <li>• Small cap</li> <li>• Specialist</li> <li>• Sector specific</li> <li>• Diversified</li> <li>• LICs/LITs</li> </ul>	<ul style="list-style-type: none"> <li>• Index</li> <li>• Diversified</li> </ul>	<ul style="list-style-type: none"> <li>• Sector specific</li> <li>• Specialist</li> <li>• Regional/Country</li> <li>• LICs/LITs</li> </ul>

Investment strategy	Specialised global fixed interest	Alternative Debt	Alternative Commodities
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 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 the debts of International governments, semi-government, companies and asset backed structures. Investments may focus on specific sectors, attributes 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)	3.0% to 6.5%	4.5% to 9.0%	2.5% to 4.0%
Target risk (% pa)	3.0% to 11.0%	7.5% to 12.5%	18.5% to 23.5%
SRM range	5 to 6	4 to 6	7
Suggested minimum timeframe	8 years	8 years	12 years
Sub strategy	<ul style="list-style-type: none"> <li>• Enhanced</li> <li>• Sector Specific</li> <li>• Specialist</li> </ul>	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 7.5%	5.5% to 7.0%	5.0% to 7.5%
Target risk (% pa)	6.5% to 13.5%	4.5% to 6.0%	6.0% to 12.0%
SRM range	4 to 6	3 to 4	4 to 6
Suggested minimum timeframe	7 years	4 years	6 years
Sub strategy	N/A	N/A	N/A

Investment strategy	Alternative Macro	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)	7.5% to 9.5%	4.5% to 6.0%	6.5% to 10.5%
Target risk (% pa)	9.0% to 11.0%	4.0% to 5.5%	11.5% to 24.5%
SRM range	4 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	Returns driven by exposure to approved securities listed on the ASX or expected to be listed.
Target return (% pa)	6.0% to 9.5% <sup>3</sup>
Target risk (% pa)	14.5% to 21.5% <sup>3</sup>
SRM range	6 to 7 <sup>4</sup>
Suggested minimum timeframe	6 years
Sub strategy	<ul style="list-style-type: none"> <li>• Common shares</li> <li>• Listed company options</li> <li>• Listed warrants and hybrid securities</li> <li>• Share rights</li> <li>• ETFs/LITs/LICs/ETMFs<sup>5</sup></li> <li>• Listed property investments<sup>5</sup></li> </ul>

<sup>3</sup> Range assumes a diversified investment portfolio.

<sup>4</sup> Please refer to the *Standard Risk Measure (SRM)* section of the PDS for more information.

<sup>5</sup> 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	A diversified mix of income assets such as money market, and fixed interest securities, and growth assets such as property and shares. The weighting to growth assets will generally not exceed 33%. May include absolute return, private equity and other alternative investments.	A diversified mix of income assets such as money market, and fixed interest securities, and growth assets such as property and shares. The weighting to growth assets will generally fall between 33% and 67%. May include absolute return, private equity and other alternative investments.	A diversified mix of income assets such as money market, and fixed interest securities, and growth assets such as property and shares. The weighting to growth assets will generally exceed 67%. May include absolute return, private equity and other alternative investments.
Target return (% pa)	3.0% to 5.5%	4.0% to 7.0%	5.5% to 8.0%
Target risk (% pa)	3.0% to 7.5%	5.0% to 13.0%	10.5% to 16.5%
SRM Range	3 to 4	4 to 6	6
Suggested minimum timeframe	4 years	4 years	4 years
Sub strategy	Not applicable	Not applicable	Not applicable

## Asset allocation

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

Asset class	30/06/2020	30/06/2019
Cash <sup>6</sup>	16.7%	15.6%
Commodities	0.2%	0.1%
Australian equities	28.9%	31.1%
International equities	24.7%	24.1%
Australian Fixed interest	8.9%	8.8%
International fixed interest	11.9%	11.1%
Property	4.9%	5.8%
Other	3.8%	3.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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 party<sup>7</sup>.

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 2020 for details of the investment performance relating to your chosen investments.

<sup>6</sup> Includes term deposits.

<sup>7</sup> All asset allocations in this document were current at the time of publishing.

# Important information

## Super and Pension Manager and Consolidator II

On 23 November 2019, the Macquarie Super and Pension Manager II and the Macquarie Super and Pension Consolidator II (Series II) Wrap products, were released to market.

The Series II products offer new pricing, including options for fee aggregation and flat fees. The Consolidator Series II also offer two investment menu options:

- Macquarie Super and Pension Consolidator II Engage: Clients with less complex portfolios can now access a right-sized menu of cash, term deposits, insurance and SMAs.
- Macquarie Super and Pension Consolidator II Elevate: Clients with evolving complexity and diversification can access a comprehensive suite of cash, insurance and a full suite of investment options.

Also on 23 November 2019, the existing Super and Pension Manager and the Super and Pension Consolidator Wrap products were closed to new accounts. Members using the Super and Pension Manager and the Super and Pension Consolidator products will be able to continue using those products.

## 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.

## Amendments to the Fund's trust deed

The trust deed of the Fund was amended during the 2019/20 financial year.

These amendments to the trust deed relate to:

1. a intra-fund transfer of members from the Macquarie SuperOptions to the Macquarie Super Accumulator and Macquarie Pension Manager within the Fund including amendments to expressly permit the intra-fund transfer and to assist in conferring equivalent rights (to transferring members) to the rights that the transferring members had under the Macquarie SuperOptions in respect of the benefits. The transfer of the members from Macquarie SuperOptions to the Macquarie Super Accumulator and Macquarie Pension Manager was completed on 25 September 2020.

2. provide for the issuing of the Macquarie Consolidator II and Macquarie Manager II (Series II) superannuation products including amendments that allow for new classes and different fees within the Wrap Superannuation Division of the Fund. The changes brought about by the amendments to the trust deed will only affect existing members who choose to move to a Series II product.

For a copy of the current trust deed for the Fund, please visit [macquarie.com.au/yourwrap](https://macquarie.com.au/yourwrap)

## Significant events

A significant event notice was issued on 1 July 2019 to all members to notify them of changes to the Super and Pension offer documents, effective 1 July 2019.

The changes were made to meet a range of regulatory requirements, such as the Code of Banking Practice, Superannuation Insurance Code of Conduct, Superannuation fee disclosure, the introduction of Macquarie's Customer Advocate's office and the Australian Financial Complaints Authority (AFCA) as the external dispute resolution service as well as updating our disclosures for more clarity.

A significant event notice was issued on the 23 November 2019 to members holding a Macquarie Super and Pension Manager account or a Macquarie Super and Pension Consolidator account to notify them of changes to their account. The changes related mainly to a reduction in product minimum requirements (ie initial investment and ongoing minimum balances) and exclusion of the Consolidator Cash Account balance from the calculation of wrap administration fees (effective 1 September 2019) for Macquarie Super and Pension Consolidator accounts.

A significant event notice was issued on 9 April 2020 to pension members to notify them of the temporary reduction in the minimum pension payment requirements for the 2019/20 and 2020/21 financial years. The change in pension minimum requirements was announced by the Federal Government as part of their response to the coronavirus (COVID-19) pandemic.

A significant event notice was issued on 22 April 2020 to accumulation members to notify them of a temporary measure, introduced by the Federal Government as part of its response to COVID-19, allowing the early release of their superannuation if they were impacted by COVID-19.

A copy of all significant event notices can be accessed at [macquarie.com.au/yourwrap](https://macquarie.com.au/yourwrap)

## Changes to offer documents

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

- a PDS was issued for Super and Pension Manager, Super and Pension Consolidator and Super Accumulator on 1 July 2019
- an updated TIB was issued on 1 July 2019
- a PDS was issued for Super and Pension Manager II and Super and Pension Consolidator II on 23 November 2019
- an updated TIB was issued on 1 July 2020.

A copy of the latest offer documents can be accessed at [macquarie.com.au/yourwrap](https://macquarie.com.au/yourwrap)

## 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](https://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 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 is your responsibility to regularly check your email address or the online portal to access ongoing disclosure in relation 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](https://macquarie.com.au/supermenu)

## 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. The ORFR is funded by the Trustee through shareholder capital and does not form part of the administration fee or any other fee described within the PDS.

## Fund reserve

The Trustee maintains a reserve within the Fund to facilitate the Trustee's voluntary acquisition of certain illiquid investments from members exiting the Fund. This reserve did not have a balance as at 30 June 2020.

## Consolidation of multiple accounts

Each year, the Trustee is obliged to identify and review members who hold more than one superannuation account within the Fund. Where the Trustee reasonably determines that it is in the best interests of the member, the member's superannuation benefits may be consolidated into a single account. Members may be provided with the opportunity to elect not to consolidate their accounts. The next review will be conducted from January 2021.

## Financial Services Council

Macquarie Investment Management Limited complies with the Financial Services Council Standard 20: *Superannuation Governance Policy*.

## Trustee Board

The Board of the Trustee is comprised of independent directors. Information about the Trustee's directors and Executive Officers is available from [macquarie.com.au/yourwrap](https://macquarie.com.au/yourwrap)

## Accessing your Annual Report

You can view the latest Annual Report for the Fund online at any time by visiting [macquarie.com.au/yourwrap](https://macquarie.com.au/yourwrap)

## Further information

More information about the Fund is available from [macquarie.com.au/yourwrap](https://macquarie.com.au/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.

## Annual members' meeting

Due to a recent legislative change, the Trustee of the Fund is required to hold an annual meeting for all fund members. The first meeting to be held for the Fund relates to the 2019/20 financial year and it will provide members with a forum to ask questions about the Fund's performance and operations.

This meeting is for all members of the Macquarie Superannuation Plan and is scheduled to be held in March 2021. Notice of the meeting, including details on how to access the event, will be provided to members towards the end of 2020.

## Insurance in Superannuation

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

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

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

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

## The Code we are bound by

The Insurance in Superannuation Voluntary Code of Practice (VCOP) came into effect from **1 July 2018**. It is a first for the industry and sets standards that will provide greater understanding, clearer accountability and consistency of delivery for insurance benefits provided in superannuation across the industry.

MIML aims to be compliant with VCOP by 31 December 2020.

We will regularly review our compliance with the Code and will publish on our website an annual Code compliance report. For a copy of the Code, please visit [macquarie.com.au/yourwrap](http://macquarie.com.au/yourwrap)

## Claims Process

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

### Attention: The Claims Manager

Macquarie Investment Management Limited  
GPO Box 4045  
Sydney NSW 2001  
Email: [MIMLPlatformInsurance@macquarie.com](mailto: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.au/yourwrap](http://macquarie.com.au/yourwrap)

## Member education

Towards the end of 2020, MIML will be publishing articles on the role of insurance in superannuation on Help Centre, to assist members in being more engaged and aware of the benefits of insurance, the impact on retirement savings and support services to assist vulnerable customers during the insurance claims process.

For a copy of our Insurance Guide, please visit [macquarie.com.au/yourwrap](http://macquarie.com.au/yourwrap)

## Legislative updates

Since the beginning of the 2019/20 financial year, the following changes affecting superannuation occurred. These changes are now law unless otherwise stated.

### Protecting your superannuation initiatives

Reforms to protect superannuation savings from erosion due to fees and insurance premiums were introduced. The changes:

- limit the fees that can be charged on superannuation accounts where the balance is less than \$6,000. The maximum administration and investment fees that can be deducted is limited to 3 per cent annually of the account balance on the relevant test day
- prevent superannuation fund trustees from charging exit fees
- prevents trustees from providing insurance on an opt-out basis to:
  - inactive accounts
  - accounts with balances of less than \$6,000, and
  - members who are under age 25 and opens a new account on or after 1 April 2020.

Insurance cover for these members will need to be offered on an opt-in basis

- require superannuation funds to transfer inactive accounts with balances below \$6,000 to the Australian Taxation Office (ATO)
- enable the ATO to proactively pay amounts it holds into a member's active superannuation account where the combined balance would be greater than \$6,000.

### Temporary reduction to minimum pension requirements

The Government has reduced the superannuation minimum drawdown requirements for account-based pension and similar products by 50% for 2019/20 and 2020/21 financial years.

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

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

### COVID-19 temporary early release of super

Individuals affected by COVID-19 can access up to \$10,000 of their superannuation in 2019/20 and a further \$10,000 in 2020/21 if they satisfy at least one of the following requirements:

- they're unemployed
- they're eligible to receive a job seeker payment, youth allowance for jobseekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance
- on or after 1 January 2020, they were made redundant, or had their working hours reduced by 20% or more, or they're a sole trader whose business has been suspended or there was a reduction in their turnover of 20% or more.

Amounts released will not be subject to tax nor will they affect Centrelink or Veterans' Affairs payments. It should be noted that payments under this condition of release are not available to temporary residents in 2020/21.

### Work test changes

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

Previously the work test a minimum of 40 hours work over a 30 consecutive day period in the financial year of contribution, applied from the individual's 65th birthday.

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

### Spouse contribution age limit

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

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

### NCC bring-forward arrangements

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

Currently the bring-forward arrangement applies until 30 June in the financial year in which an individual turns age 65. It is proposed that this will be extended to allow the bring-forward rule to be used up until 30 June in the financial year the member turns 67.

At the time of completing this Annual Report this proposal was not yet law.

### Social security deeming rates

The Government announced reductions to the Centrelink deeming rates taking effect from 1 May 2020.

As a result, the lower deeming rate is currently 0.25% for financial investments up to \$53,000 for single pensioners and \$88,000 for pensioner couples. The upper deeming rate was reduced to 2.25% for balances over these amounts.

## 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 2019/20 financial year, the Fund held the following assets directly or indirectly with a value of greater than 5 per cent of the Fund's total assets:

- in all trusts for which Macquarie Investment Management Limited acts as responsible entity (\$1.585 billion)
- in Macquarie Group Limited (\$5.372 billion) including the Macquarie Cash Account (\$1.171 billion)
- in Dimensional Funds Australia Limited (\$3.838 billion), and
- in Vanguard Investments Australia Limited (\$3.968 billion).

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

## Use of derivatives

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

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

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

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

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

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

## 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 write to us at:  
The Complaints Manager  
Macquarie Wrap  
GPO Box 4045 Sydney NSW 2001  
Email: [complaints@macquarie.com](mailto:complaints@macquarie.com)

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

If you are not satisfied with our handling of a matter, you can request your complaint to be reviewed free of charge by contacting either the Macquarie Customer Advocate or Australian Financial Complaints Authority (AFCA), an external dispute resolution scheme, of which Macquarie is a member.

The Customer Advocate's role is to review the reasonableness and fairness of the outcome of your complaint.

You may contact our Customer Advocate as follows:

### The Customer Advocate

Macquarie Bank Limited  
GPO Box 4294  
Sydney NSW 1164  
Tel: 1800 898 307  
Email: [customeradvocate@macquarie.com](mailto:customeradvocate@macquarie.com)

If you are not satisfied with our response after 90 days, you can lodge a complaint with AFCA. AFCA provides independent financial services complaint resolution.

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

### Australian Financial Complaints Authority

GPO Box 3  
Melbourne VIC 3001  
Phone: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Website: [www.afca.org.au](http://www.afca.org.au)

## Further information

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

# Financial statements of the Fund<sup>8</sup>

## Income statement for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
<b>Superannuation activities</b>		
<b>Investment revenue</b>		
Interest	15,903	25,367
Distributions from unit trusts	552,351	692,564
Dividends	150,220	224,983
Changes in investments measured at fair value	(1,292,461)	533,703
<b>Total investment revenue</b>	<b>(573,987)</b>	<b>1,476,617</b>
<b>Total revenue</b>	<b>(573,987)</b>	<b>1,476,617</b>
<b>Expenses</b>		
Operating expenses	225,992	213,259
<b>Total expenses</b>	<b>225,992</b>	<b>213,259</b>
Net Income from superannuation activities	(799,979)	1,263,358
Income tax benefit	170,891	57,821
<b>Profit before income tax</b>	<b>(629,088)</b>	<b>1,321,179</b>
<b>Less: Net benefits allocated to members' accounts</b>	<b>(629,088)</b>	<b>1,321,179</b>
<b>Net result</b>	<b>-</b>	<b>-</b>

## Statement of financial position as at 30 June 2020

	2020 \$'000	2019 \$'000
<b>Assets</b>		
Cash and cash equivalents	1,351,617	900,652
Investments	22,357,228	21,350,246
Receivables	174,253	321,506
Current tax asset	26,784	37,233
<b>Total assets</b>	<b>23,909,882</b>	<b>22,609,637</b>
<b>Liabilities</b>		
Trade and other payables	19,613	18,786
Current tax liability	-	-
Deferred tax liability	18,810	86,927
<b>Total liabilities excluding member benefits</b>	<b>38,423</b>	<b>105,713</b>
<b>Net assets available for member benefits</b>	<b>23,871,459</b>	<b>22,503,924</b>
Allocated to members	23,836,656	22,469,036
<b>Total net assets</b>	<b>34,803</b>	<b>34,888</b>
<b>Equity</b>		
Tax reserve	34,803	34,888
<b>Total equity</b>	<b>34,803</b>	<b>34,888</b>

<sup>8</sup> This annual report contains abridged financial information for the financial year ended 30 June 2020 for the Fund. The full financial information is available upon request by contacting your adviser or us on 1800 025 063.

## Statement of changes in member benefits as at 30 June 2020

	2020 \$'000	2019 \$'000
Opening balance of member benefits	22,503,924	19,433,454
<b>Contributions</b>		
Transfers in from other superannuation plans	3,134,274	2,796,539
Member	786,366	603,084
Employer	332,021	309,904
Government co-contributions	552	519
Successor fund transfer	168	171,374
Contributions tax	(54,586)	(52,668)
<b>Contributions net of tax</b>	<b>4,198,795</b>	<b>3,828,752</b>
Transfers out to other superannuation plans	(972,936)	(920,331)
Benefits paid to members	(1,203,667)	(1,130,679)
Insurance premiums charged to members' accounts	(46,770)	(52,056)
Death and disability benefits credited to members' accounts	21,201	23,605
<b>Benefits allocated to members' accounts</b>		
Net investment income	(573,987)	1,476,617
Operating expenses	(225,992)	(213,259)
Income tax benefit	170,891	57,821
<b>Closing balance of member benefits</b>	<b>23,871,459</b>	<b>22,503,924</b>

# Contacts

## 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

For more information, advisers call 1800 025 063.

For existing members, your adviser is your main point of contact for your portfolio, so if you have any queries about your account, please talk to your adviser.

To contact us, visit [macquarie.com/personal](https://www.macquarie.com/personal) or mail us at Macquarie Wrap, GPO Box 4045, Sydney NSW 2001.