

Annual report to members for the year ended 30 June 2014

Macquarie SuperOptions



Contents

Welcome	01
The financial year in review	02
Investment returns to 30 June 2014	04
Asset allocation as at 30 June 2014	06
Investment strategies	08
Important information	11
Financial statements of the Fund	15
Contacts	17

Macquarie SuperOptions (SuperOptions) forms 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 237 492 RSEL L0001281 (MIML, Macquarie, the trustee, we, us).

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

Investments in SuperOptions are not deposits with or other liabilities of Macquarie Bank Limited or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Neither Macquarie Bank Limited, MIML, Macquarie Life Limited ABN 56 003 963 773 AFSL 237497, any other investment Managers referred to in this Annual Report, nor any other member company of the Macquarie Group guarantees the performance of SuperOptions or the repayment of capital from SuperOptions.

The information contained in this Annual Report is dated 8 December 2014 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 before acting on any of the information in this Annual Report.

Welcome

8 December 2014

Dear Member,

Welcome to the Annual Report for Macquarie SuperOptions (SuperOptions) for the financial year ended 30 June 2014.

This Annual Report provides you with general information about the management and financial position of the SuperOptions division of the Macquarie Superannuation Plan (the Fund), a legislative update and details of matters concerning the investments in the Fund (such as overall asset allocation). This report should be read with your Annual Statement for the year ended 30 June 2014, which gives details of your benefits in the Fund.

During the past year positive improvements have been made towards digital efficiency within the Australian superannuation landscape. With the introduction of the Federal Government's SuperStream reforms, a new ecommerce and data standard (the Standard), certain superannuation transactions, including employer contributions, will be automated and timely.

The 2014 financial year witnessed increasing divergence in the pattern of global growth. The US and UK economies steadily gathered momentum while the Eurozone and Japan struggled to maintain confidence in their recovery. Meanwhile, developments in the key emerging economies were dominated by increasing concerns about a noticeable slowing in Chinese growth and structural impediments to expansion of the Indian economy. Against this backdrop, the global business cycle has been characterised by low inflation outcomes and concerns about the risk of encroaching deflationary forces in the Eurozone economies.

The Australian economy experienced slower growth over 2014 as the drivers of activity continued to transition away from mining investment to non-mining sector demand. A combination of the weak housing construction response to low interest rates and a strong Australian dollar prompted the Reserve Bank of Australia to reduce interest rates by a further 25 basis points to a historical low of 2.5 per cent in August 2013. Nevertheless, business and consumer confidence levels continued to be subdued over 2014, in turn constraining business and consumer spending patterns, ensuring that the Australian economy also reflected the low inflation environment of the other major developed economies.

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

If you have any questions about this Annual Report or about SuperOptions in general, please contact your adviser or Macquarie on 1800 801 651.

Yours sincerely,



Bill Marynissen

Executive Director
Banking and Financial Services Group

This Annual Report includes information on:

- **SuperOptions Super Plan**, an accumulation superannuation product, and
- **SuperOptions Pension Plan**, a retirement income solution incorporating the SuperOptions Allocated Pension Plan (an account-based pension) and the SuperOptions Term Allocated Pension Plan.

References to Pension Plan can be interpreted as references to both Allocated Pension Plan and Term Allocated Pension Plan.

The abridged financial statements relate to the entire Macquarie Superannuation Plan, which includes SuperOptions.

The financial year in review¹

The global economy

In the past 12 months, global macroeconomic conditions have been characterised by the ongoing but gradual recovery in the key developed economies and increasingly volatile activity in many emerging economies. Even though the strength of the global business cycle has remained disappointing by historical standards, it has managed to maintain very low inflation and interest rates. Against this backdrop, financial markets have been surprisingly optimistic, even in the face of steadily increasing geopolitical risks.

The US economy was severely affected by harsh winter weather in late 2013 and early 2014, resulting in a large reduction to their gross domestic product (GDP) growth in the March quarter, which is still causing some unevenness in economic activity. In Europe, persistently low inflation caused concerns about the risks of a deflationary spiral and prompted the European Central Bank to redouble its monetary stimulus efforts. In contrast, the UK economy was propelled to stronger GDP growth by a robust recovery in housing prices and associated increases in consumer spending.

In Asia, the majority of the past year has witnessed the emergence of more volatile and punctuated economic cycles, notably in China and India, as these key economies continue to struggle with structural reform agendas. The issues confronting Chinese and Indian policymakers also brought attention to broader structural challenges facing Brazil, Russia, India and China's (BRIC) economies, with concerns that they risk falling into the 'middle income trap' as potential growth rates drift lower.

Japan's economy faces similar structural reform issues as its previous strong growth momentum has been challenged by the effects of the 1 April 2014 hike in the consumption tax. Despite achieving success in ending chronic deflation in the Japanese economy, policymakers are yet to see robust and sustainable growth in household income, raising concerns about the durability of domestic demand.

Geopolitical risks have risen noticeably in the past six months as the Iraq/Syria and Russia/Ukraine conflicts escalate and threaten broader regional stability. These developments have also heightened global investors' concerns about the sovereign risks associated with some emerging economies.

The Australian economy

During the past year, Australia's economy continued its transition from mining investment-driven growth to non-mining sector activity. But as expected, the path has been uncertain and uneven. The persistently high Australian dollar has continued to complicate the economy's transition and be reflected in patchy business conditions across the business sectors.

The Reserve Bank of Australia (RBA) continued to adopt a supportive monetary policy stance throughout the 2013/14 financial year by reducing interest rates by 0.25 percentage points to a historical low of 2.5 per cent in August 2013. Despite periodic financial market speculation about a hike in official interest rates in late 2014, the RBA continued to stress the benefits of a stable economy during a period of unchanged rates. The moderation of inflation and wage growth in the past year has supported the RBA's current supportive policy stance, suggesting that there is no imminent risk to stable policy settings.

Concerns in the first half of the year about rapid growth in house prices, notably in Sydney, abated somewhat as housing market activity slowed and prices reached a plateau from April 2014. Although housing affordability remains a key concern for Australians, there is now a diminishing risk of a destabilising 'house price bubble' developing in the economy. In contrast to New Zealand, Australia does appear to have additional capacity to support the further expansion of housing construction in the coming year.

The challenges associated with the transition of the Australian economy were also reflected in continuing low levels of business and consumer confidence over the past year. Lacklustre consumer sentiment has continued to result in sub-trend consumer spending growth. The average household savings rate maintained itself around 10.5 per cent, compared to the mid-2000's average of just 3.0 per cent. Consumer spirits were buffeted further with the announcement in May 2014 of the new Australian Government's 2015 financial year Federal Budget and package of fiscal consolidation measures. While there was some recovery in confidence levels in early June, they remain well below historical averages.

Overall, the Australian economy is expected to have grown at a sub-trend pace of 2.8 per cent during 2013 and 2014, as the mining investment boom fades and the transition to other non-mining sector areas of activity struggles to overcome the pressures of a still-high Australian dollar. The prospects for Australia's growth rate to meet its long-term potential of around 3.25 per cent in the 2014/15 financial year will likely hinge on a noticeable recovery in consumer confidence, a stabilisation in China's business cycle and a measured decline in the value of the Australian dollar. At this juncture, it is not expected that the RBA will cut interest rates further, nor is it believed that there is a risk of an early hike in rates, given the benign inflation and wages conditions prevailing in the economy.

Asset class performance

During this past financial year, there was a shift in global investor appetite away from growth assets and back to high-yielding assets. The key drivers of this investor behaviour stemmed from perceptions about the likely speed of monetary policy normalisation and the realisation that the improvement in global growth was narrowly-based and likely to disappoint. The leading measure of global shares performance, the MSCI World (ex Australia) Accumulation Index, returned an impressive 19.6 per cent for the period. The Australian share market also followed the global trend for the year. The S&P/ASX 200 Accumulation Index returned 17.4 per cent for the year ended 30 June 2014. Despite the weak domestic demand environment, growth in earnings per share was strong, as companies continued to pursue cost-cutting initiatives and directed earnings into share buy-backs rather than new investment.

In terms of the money market, the RBA lowered the cash rate to 2.50 per cent in August 2013, where it remained through to the end of the financial year. Expectations for an extended period of policy stability were reflected in lower yields. The yield on 90-day bank bills fell, opening at 2.82 per cent and closing 13 basis points lower at 2.69 per cent. 180-day bank bill yields also fell, opening at 2.81 per cent before falling 10 basis points to close at 2.71 per cent.

Growth disappointments, global disinflation and additional policy easing from the European Central Bank and Bank of Japan led to global bond yields remaining low, despite the US Federal Reserve gradually tapering its quantitative easing program. Over the year to 30 June 2014, 10-year US government bond yields rose just 4 basis points to 2.52 per cent, while German yields fell 44 basis points to 1.25 per cent and Australian yields fell 20 basis points to 3.56 per cent.

Listed property (both global and Australian) performed well over the 2013/14 financial year. Locally, the S&P/ASX 200 Property Accumulation Index returned 11.1 per cent, while global listed property returned 14.2 per cent. The relatively high yield and defensive nature of listed property ensured a healthy demand for the asset class, particularly as expectations of ongoing low rates and additional global liquidity reignited demand for yield assets.

Investment returns to 30 June 2014

Investment option	1 year to 30 Jun 2014	1 year to 30 Jun 2013	1 year to 30 Jun 2012	1 year to 30 Jun 2011	1 year to 30 Jun 2010	5 years compound to 30 Jun 2014	Since inception to 30 Jun 2014	Fund size as at 30 Jun 2014 (\$)	Fund size as at 30 Jun 2013 (\$)
Macquarie SuperOptions – Allocated Pension									
Aberdeen Actively Hedged International Shares	15.47%	23.73%	2.55%	1.80%	9.98%	10.40%	1.32%	288,635	266,822
Aberdeen Multi-Asset Real Return Fund ²	5.69%	7.17%	(0.10%)	6.06%	10.86%	5.87%	3.15%	572,587	577,005
Alphinity Wholesale Australian Share Fund	16.64%	23.41%	(4.92%)	12.19%	12.87%	11.62%	9.52%	443,697	418,154
AMP Capital Balanced Growth Class A	11.80%	17.48%	(1.10%)	8.28%	10.80%	9.27%	5.36%	859,227	840,210
AMP Capital Equity Class A ²	13.63%	22.34%	(5.73%)	11.11%	13.17%	10.50%	8.36%	517,561	474,655
AMP Wholesale Global Equity Growth ²	17.58%	24.53%	(5.20%)	(1.13%)	5.54%	7.69%	(0.25%)	16,880	21,498
APN Unlisted Property Fund ²	3.12%	4.06%	7.65%	6.06%	9.64%	6.07%	1.72%	228,610	408,673
Arrow Street Global Equities	29.61%	26.15%	(3.70%)	25.71%	18.46%	18.57%	7.05%	1,284,348	1,020,750
BlackRock Scientific Diversified Growth	12.50%	15.96%	0.21%	9.93%	7.71%	9.13%	5.96%	1,444,606	1,184,637
BlackRock Scientific Diversified Stable	8.09%	8.70%	4.28%	7.29%	6.37%	6.93%	4.80%	943,587	1,026,452
BT Wholesale Balanced Returns ²	9.15%	10.94%	(0.34%)	6.94%	8.30%	6.92%	3.42%	48,035	51,363
BT Wholesale Conservative Outlook ²	6.66%	4.05%	4.23%	5.49%	8.39%	5.75%	4.20%	20,908	26,794
Colonial First State Wholesale Diversified ²	11.90%	16.34%	(1.88%)	7.05%	10.71%	8.64%	3.99%	1,225,589	1,418,655
Colonial First State Wholesale Imputation ²	16.97%	14.39%	(5.36%)	9.00%	13.19%	9.33%	7.59%	38,733	35,309
Colonial First State Wholesale Property Securities	8.90%	21.92%	7.75%	4.32%	16.58%	11.70%	2.08%	511,815	490,947
GMO Global Equity	21.90%	30.66%	(3.17%)	1.63%	3.25%	10.10%	2.53%	230,028	388,913
Goldman Sachs International Wholesale	18.45%	36.16%	(1.61%)	3.89%	7.55%	12.13%	2.11%	53,525	47,711
IFP Global Franchise ²	14.87%	29.31%	10.12%	7.54%	11.74%	14.46%	7.35%	75,414	139,104
Macquarie Australian Equities	20.77%	15.16%	(9.32%)	14.53%	12.97%	10.28%	7.18%	3,246,730	2,974,407
Macquarie Australian Fixed Interest	4.96%	4.26%	10.50%	5.57%	9.08%	6.85%	5.57%	798,772	921,663
Macquarie Balanced	12.66%	13.70%	1.49%	13.04%	12.04%	10.48%	7.71%	68,835,653	70,514,225
Macquarie Capital Stable	6.47%	8.06%	5.00%	8.55%	7.87%	7.18%	6.03%	24,955,214	28,031,782
Macquarie Deposit	1.48%	2.09%	3.48%	3.76%	2.70%	2.70%	4.08%	9,919,123	12,067,875
Macquarie Diversified Fixed Interest	3.82%	1.70%	9.46%	6.51%	9.63%	6.17%	5.08%	2,759,794	3,878,098
Macquarie Geared Growth	21.60%	27.77%	(20.92%)	13.32%	11.86%	9.26%	6.91%	231,874	281,008
Macquarie Growth	17.37%	14.49%	(2.90%)	15.69%	13.04%	11.27%	6.42%	2,376,346	2,388,358
Macquarie OneChoice ²	15.99%	15.42%	0.75%	15.06%	15.86%	12.44%	6.31%	321,029	353,302
Macquarie Property Securities ²	9.12%	22.47%	9.72%	3.74%	18.99%	12.59%	5.25%	1,623,058	1,670,518
Macquarie Small Companies Growth	20.63%	(0.92%)	(14.28%)	35.40%	20.06%	10.74%	9.54%	825,086	737,626
Maple-Brown Abbott Imputation Fund	12.83%	22.13%	(4.46%)	7.15%	11.90%	9.55%	7.29%	1,939,070	1,997,325
NovaPort Australian Smaller Companies ²	19.37%	24.34%	3.43%	13.55%	27.88%	17.38%	12.56%	99,109	90,285
OnePath Wholesale Blue Chip Imputation ²	14.20%	21.26%	(6.25%)	10.04%	8.76%	9.21%	7.33%	624,289	626,771
OnePath Wholesale Managed Growth ²	10.73%	12.76%	(3.13%)	7.43%	9.80%	7.36%	4.26%	511,929	592,693
Perpetual's Wholesale Balanced Growth	13.00%	18.92%	1.44%	7.01%	10.92%	10.10%	6.03%	4,787,683	4,847,346
Perpetual's Wholesale Industrial	17.09%	27.51%	5.69%	8.10%	13.56%	14.13%	9.70%	3,736,426	3,541,832
Platinum International	17.15%	34.60%	(7.60%)	(8.41%)	10.67%	8.11%	6.12%	3,156,347	2,618,936
Schroder Wholesale Australian Equity	14.70%	23.46%	(4.20%)	13.44%	15.96%	12.28%	11.32%	2,877,382	2,584,458
UBS Australian Bond	4.82%	1.98%	10.02%	4.11%	7.14%	5.57%	4.99%	1,021,466	1,281,905
UBS Australian Share ²	14.50%	21.49%	(5.25%)	7.54%	15.43%	10.34%	9.91%	1,194,593	1,148,023
UBS Defensive Investment ²	9.33%	11.44%	5.06%	5.61%	8.84%	8.03%	5.58%	971,589	1,027,569
van Eyk Blueprint Australian Shares ³	19.25%	19.92%	(7.94%)	9.04%	11.61%	9.88%	8.59%	568,390	505,473
van Eyk Blueprint Balanced ³	6.69%	8.51%	(1.15%)	8.04%	8.76%	6.10%	4.69%	16,452,676	17,693,666
van Eyk Blueprint Capital Stable ³	4.84%	6.54%	2.29%	5.19%	7.01%	5.16%	4.52%	4,732,993	5,387,386
van Eyk Blueprint High Growth ³	9.57%	12.55%	(3.04%)	9.20%	10.03%	7.51%	5.01%	1,867,515	1,899,853
van Eyk Blueprint International Shares ³	11.46%	20.09%	(2.38%)	0.22%	4.40%	6.45%	1.61%	75,866	70,759
Macquarie SuperOptions – Super/Rollover									
Aberdeen Actively Hedged International Shares	14.03%	21.00%	2.19%	1.39%	10.85%	9.64%	0.98%	4,554,794	4,504,075
Aberdeen Multi-Asset Real Return Fund ²	5.04%	7.62%	0.02%	5.74%	10.46%	5.72%	2.80%	1,332,976	1,435,231
Alphinity Wholesale Australian Share Fund	16.30%	22.92%	(5.10%)	11.58%	14.00%	11.52%	8.65%	1,766,546	1,595,132
AMP Capital Balanced Growth Class A	10.95%	16.43%	(1.65%)	7.48%	10.52%	8.58%	4.74%	3,645,966	3,506,466
AMP Capital Equity Class A ²	12.78%	23.86%	(7.53%)	9.06%	13.10%	9.76%	7.62%	1,201,034	1,296,866
AMP Wholesale Global Equity Growth ²	16.89%	22.54%	(5.81%)	(2.11%)	4.57%	6.67%	(2.74%)	783,440	784,771

² The options are closed to new investments.

³ This investment is terminating at the time of printing this report.

Investment option	1 year to 30 Jun 2014	1 year to 30 Jun 2013	1 year to 30 Jun 2012	1 year to 30 Jun 2011	1 year to 30 Jun 2010	5 years compound to 30 Jun 2014	Since inception to 30 Jun 2014	Fund size as at 30 Jun 2014 (\$)	Fund size as at 30 Jun 2013 (\$)
APN Unlisted Property Fund ²	(9.20%)	2.58%	6.12%	6.81%	7.58%	2.58%	(0.21%)	225,722	506,463
Arrow Street Global Equities	27.44%	23.81%	(4.35%)	22.86%	18.70%	17.08%	6.28%	11,849,359	9,342,920
BlackRock Scientific Diversified Growth	14.24%	17.24%	(1.54%)	9.51%	5.87%	8.86%	5.17%	4,179,834	3,617,183
BlackRock Scientific Diversified Stable	7.13%	7.53%	3.37%	6.32%	6.07%	6.07%	4.19%	1,432,751	1,378,011
BT Wholesale Balanced Returns ²	9.05%	11.02%	(0.56%)	5.81%	8.55%	6.69%	2.98%	308,860	330,476
BT Wholesale Conservative Outlook ²	6.01%	5.35%	3.41%	4.92%	7.89%	5.50%	3.48%	248,500	263,264
Colonial First State Wholesale Diversified ²	11.64%	15.55%	(2.53%)	6.67%	10.58%	8.20%	3.66%	6,344,748	6,037,149
Colonial First State Wholesale Imputation ²	14.28%	21.93%	(7.11%)	9.38%	14.21%	10.08%	7.04%	430,838	435,994
Colonial First State Wholesale Property Securities	7.30%	23.29%	8.04%	5.90%	9.98%	10.72%	1.50%	3,351,299	4,045,473
EQT Dundas Global Equity	14.33%	23.47%	(2.16%)	(0.55%)	2.88%	7.16%	0.73%	31,132	31,393
GMO Global Equity	19.09%	27.67%	(4.12%)	1.65%	4.11%	9.05%	2.24%	1,063,385	440,808
Goldman Sachs International Wholesale	16.85%	32.00%	(1.66%)	3.51%	8.98%	11.33%	2.04%	726,358	606,724
IFP Global Franchise ²	13.78%	26.08%	8.88%	6.35%	12.10%	13.23%	6.56%	822,917	763,878
Macquarie Australian Equities	19.66%	14.19%	(10.24%)	13.74%	13.46%	9.61%	6.01%	13,147,464	11,614,410
Macquarie Australian Fixed Interest	4.15%	3.31%	8.69%	5.14%	8.78%	5.98%	4.81%	2,346,032	2,636,249
Macquarie Balanced	12.16%	12.37%	0.16%	11.68%	11.71%	9.50%	6.36%	62,197,634	59,664,593
Macquarie Capital Stable	5.80%	6.93%	3.91%	7.41%	7.39%	6.27%	5.09%	11,121,057	13,186,793
Macquarie Deposit	1.26%	1.88%	3.08%	3.21%	2.25%	2.33%	3.48%	59,972,872	67,680,849
Macquarie Diversified Fixed Interest	3.14%	1.20%	7.87%	5.63%	9.01%	5.33%	4.39%	4,668,309	5,833,590
Macquarie Geared Growth	26.36%	35.16%	(24.84%)	13.23%	13.69%	10.56%	6.36%	10,422,766	8,992,719
Macquarie Growth	15.85%	15.30%	(3.37%)	14.05%	13.06%	10.72%	5.69%	29,760,763	27,976,100
Macquarie OneChoice ²	14.85%	13.81%	(0.23%)	13.90%	15.01%	11.30%	5.37%	6,883,433	7,202,657
Macquarie Property Securities ²	9.29%	20.09%	8.53%	2.67%	16.14%	11.17%	4.50%	4,613,431	4,778,772
Macquarie Small Companies Growth	22.28%	(3.48%)	(16.00%)	36.32%	17.14%	9.62%	7.94%	11,214,449	11,120,131
Maple-Brown Abbott Imputation Fund	14.62%	26.05%	(6.74%)	6.98%	12.78%	10.20%	6.90%	6,772,506	6,506,815
NovaPort Australian Smaller Companies ²	20.10%	25.49%	0.92%	13.52%	28.45%	17.26%	11.89%	639,783	574,119
OnePath Wholesale Blue Chip Imputation ²	16.38%	26.15%	(9.72%)	9.58%	9.57%	9.73%	6.90%	2,934,777	2,818,487
OnePath Wholesale Managed Growth ²	9.87%	12.51%	(3.88%)	6.92%	9.65%	6.85%	3.84%	3,861,866	3,756,208
Perpetual's Wholesale Balanced Growth	12.32%	17.86%	1.01%	6.54%	10.39%	9.47%	5.67%	38,510,629	35,824,778
Perpetual's Wholesale Industrial	16.63%	27.61%	3.86%	7.26%	13.35%	13.44%	9.00%	8,756,306	8,456,061
Platinum International	15.56%	29.81%	(7.08%)	(7.67%)	9.65%	7.13%	5.39%	12,011,622	11,314,711
Schroder Wholesale Australian Equity	13.79%	21.34%	(4.31%)	12.23%	17.35%	11.71%	10.39%	6,366,166	5,978,605
UBS Australian Bond	4.14%	1.44%	8.71%	3.45%	6.45%	4.81%	4.26%	1,590,922	1,763,467
UBS Australian Share ²	14.66%	22.55%	(7.47%)	7.07%	16.17%	10.09%	8.93%	2,594,764	2,904,480
UBS Defensive Investment ²	8.38%	9.79%	4.08%	5.05%	8.34%	7.10%	4.75%	1,539,944	1,570,558
van Eyk Blueprint Australian Shares ³	17.47%	17.43%	(7.51%)	7.94%	11.43%	8.94%	7.65%	1,095,749	1,192,630
van Eyk Blueprint Balanced ³	5.68%	7.29%	(1.40%)	7.22%	8.56%	5.41%	4.15%	7,236,879	7,442,028
van Eyk Blueprint Capital Stable ³	3.99%	5.57%	1.63%	4.41%	6.58%	4.42%	3.83%	1,681,096	1,636,594
van Eyk Blueprint High Growth ³	8.40%	10.83%	(3.38%)	8.31%	9.80%	6.65%	4.37%	5,575,053	6,015,228
van Eyk Blueprint International Shares ³	9.69%	17.60%	(2.19%)	0.06%	5.45%	5.89%	1.14%	906,350	1,007,266

How the returns are calculated

The investment returns for each investment option have been calculated by the Trustee and provided directly by the investment managers.

Returns are annualised, based on the change in withdrawal prices of each investment option and assume the reinvestment of distributions. Returns are net of ongoing investment management fees and gross of tax and other fees that may be charged directly to your account.

Past performance is no indication of future performance.

The value of your investment may rise or fall. Your investment is not guaranteed.

² The options are closed to new investments.

³ This investment is terminating at the time of printing this report.

Asset allocation as at 30 June 2014

Investment name	APIR code	As at	Cash (%)	Australian equities (%)	International equities (%)	Australian fixed interest (%)	International fixed interest (%)	Property (%)	Other (%)
Aberdeen Actively Hedged International Shares	CRS0005AU	30/06/14	2.05	–	97.95	–	–	–	–
		30/06/13	1.47	–	98.53	–	–	–	–
Aberdeen Multi-Asset Real Return Fund	CRS0002AU	30/06/14	9.78	19.65	15.54	27.54	17.84	5.65	4.00
		30/06/13	7.30	18.07	12.11	22.40	30.41	4.46	5.25
Alphinity Wholesale Australian Share Fund	HOW0019AU	30/06/14	1.19	98.81	–	–	–	–	–
		30/06/13	1.63	91.39	–	–	–	6.77	0.21
AMP Capital Balanced Growth Class A	AMP0441AU	30/06/14	8.36	34.93	28.89	13.93	2.90	10.79	0.20
		30/06/13	6.01	36.24	29.79	13.71	3.71	10.32	0.22
AMP Capital Equity Class A	AMP0370AU	30/06/14	9.36	90.64	–	–	–	–	–
		30/06/13	4.83	95.17	–	–	–	–	–
APN Unlisted Property Fund	APN0016AU	30/06/14	8.52	–	–	–	–	91.48	–
		30/06/13	2.10	–	–	–	–	97.90	–
Arrow Street Global Equities	MAQ0464AU	30/06/14	2.48	–	97.07	–	–	0.45	–
		30/06/13	1.96	–	98.04	–	–	–	–
AMP Wholesale Global Equity Growth	NML0318AU	30/06/14	1.81	–	98.19	–	–	–	–
		30/06/13	4.26	–	95.74	–	–	–	–
BlackRock Scientific Diversified Growth	BAR0813AU	30/06/14	4.17	35.56	27.54	7.25	6.78	4.89	13.81
		30/06/13	12.50	41.02	28.05	10.61	2.48	–	5.34
BlackRock Scientific Diversified Stable	BAR0811AU	30/06/14	3.60	18.34	11.94	42.41	16.21	1.98	5.52
		30/06/13	27.65	18.97	9.19	21.26	17.54	–	5.39
BT Wholesale Balanced Returns	BTA0806AU	30/06/14	1.19	30.61	17.30	21.76	12.10	8.09	8.95
		30/06/13	6.91	29.22	17.57	21.12	8.85	4.22	12.11
BT Wholesale Conservative Outlook	BTA0805AU	30/06/14	5.52	12.69	8.13	38.15	19.57	6.37	9.57
		30/06/13	15.72	14.62	6.39	40.14	11.43	2.64	9.06
Colonial First State Wholesale Diversified	FSF0008AU	30/06/14	5.82	32.65	30.92	18.24	6.85	5.52	–
		30/06/13	4.91	30.33	34.59	15.84	9.44	4.89	–
Colonial First State Wholesale Imputation	FSF0003AU	30/06/14	1.73	98.27	–	–	–	–	–
		30/06/13	2.34	97.66	–	–	–	–	–
Colonial First State Wholesale Property Securities	FSF0004AU	30/06/14	2.73	–	–	–	–	97.27	–
		30/06/13	1.89	–	–	–	–	98.11	–
EQT Dundas Global Equity	THO0003AU	30/06/14	–	–	100.00	–	–	–	–
		30/06/13	–	–	100.00	–	–	–	–
GMO Global Equity	GMO0103AU	30/06/14	1.20	–	98.80	–	–	–	–
		30/06/13	1.00	–	99.00	–	–	–	–
Goldman Sachs International Wholesale	JBW0014AU	30/06/14	3.79	2.09	94.12	–	–	–	–
		30/06/13	3.53	–	96.47	–	–	–	–
IFP Global Franchise	MAQ0404AU	30/06/14	4.62	–	95.38	–	–	–	–
		30/06/13	1.79	–	98.21	–	–	–	–
Macquarie Australian Equities	MAQ0278AU	30/06/14	0.23	95.65	–	–	–	4.12	–
		30/06/13	0.21	94.71	–	–	–	5.08	–
Macquarie Australian Fixed Interest	MAQ0061AU	30/06/14	1.32	–	–	98.68	–	–	–
		30/06/13	6.83	–	–	93.17	–	–	–
Macquarie Balanced	MAQ0058AU	30/06/14	40.04	14.50	29.14	13.11	1.39	1.20	0.62
		30/06/13	4.47	25.17	18.02	31.54	8.88	–	11.92
Macquarie Capital Stable	MAQ0059AU	30/06/14	44.99	0.89	17.76	19.97	15.78	0.61	–
		30/06/13	24.77	9.90	4.57	47.47	8.16	–	5.13
Macquarie Diversified Fixed Interest	MAQ0274AU	30/06/14	–	–	–	69.40	30.60	–	–
		30/06/13	–	–	–	70.10	29.90	–	–
Macquarie Geared Growth	MAQ0271AU	30/06/14	–	93.00	–	–	–	7.00	–
		30/06/13	–	92.05	–	–	–	7.95	–
Macquarie Small Companies Growth	MAQ0085AU	30/06/14	0.65	92.91	–	–	–	6.44	–
		30/06/13	0.66	96.03	–	–	–	3.31	–
Maple-Brown Abbott Imputation Fund	ADV0046AU	30/06/14	6.23	93.77	–	–	–	–	–
		30/06/13	2.51	97.49	–	–	–	–	–
NovaPort Australian Smaller Companies	HOW0016AU	30/06/14	12.75	87.25	–	–	–	–	–
		30/06/13	6.44	93.56	–	–	–	–	–
OnePath Wholesale Blue Chip Imputation	MMF0340AU	30/06/14	1.76	98.24	–	–	–	–	–
		30/06/13	2.00	97.50	–	–	–	0.50	–

Investment name	APIR code	As at	Cash (%)	Australian equities (%)	International equities (%)	Australian fixed interest (%)	International fixed interest (%)	Property (%)	Other (%)
OnePath Wholesale Managed Growth	MMF0115AU	30/06/14	5.69	25.37	26.96	7.43	8.57	1.36	24.62
		30/06/13	8.24	28.49	28.89	9.71	9.70	3.55	11.42
Perpetual's Wholesale Balanced Growth	PER0063AU	30/06/14	18.27	23.35	26.10	13.72	3.28	7.37	7.91
		30/06/13	17.72	24.26	21.05	10.47	1.98	0.26	24.26
Perpetual's Wholesale Industrial	PER0046AU	30/06/14	7.52	87.64	1.00	–	–	3.84	–
		30/06/13	3.04	94.43	–	–	–	2.53	–
Platinum International	PLA0001AU	30/06/14	7.80	1.30	90.90	–	–	–	–
		30/06/13	12.10	–	87.90	–	–	–	–
Schroder Wholesale Australian Equity	SCH0101AU	30/06/14	2.13	97.87	–	–	–	–	–
		30/06/13	9.57	90.43	–	–	–	–	–
SuperOptions Macquarie Deposit Option	N/A	30/06/14	–	–	–	100	–	–	–
		30/06/13	–	–	–	100	–	–	–
UBS Australian Bond	SBC0813AU	30/06/14	8.83	–	–	91.17	–	–	–
		30/06/13	5.43	–	–	94.57	–	–	–
UBS Australian Share	SBC0817AU	30/06/14	2.29	97.71	–	–	–	–	–
		30/06/13	1.64	95.91	–	–	–	2.45	–
UBS Defensive Investment	SBC0814AU	30/06/14	13.50	13.50	15.40	31.20	8.70	6.20	11.50
		30/06/13	2.94	19.32	10.98	28.08	21.46	5.89	11.33
van Eyk Blueprint Australian Shares	MAQ0289AU	30/06/14	0.92	99.08	–	–	–	–	–
		30/06/13	–	100.00	–	–	–	–	–
van Eyk Blueprint Balanced	MAQ0290AU	30/06/14	1.90	25.85	22.40	2.66	14.86	18.24	14.09
		30/06/13	4.95	27.21	19.33	4.03	11.33	7.01	26.14
van Eyk Blueprint Capital Stable	MAQ0291AU	30/06/14	12.23	13.13	10.29	13.31	28.42	16.68	5.94
		30/06/13	16.27	14.26	9.40	14.94	25.87	4.90	14.36
van Eyk Blueprint High Growth	MAQ0292AU	30/06/14	1.91	35.44	32.18	–	1.63	18.38	10.46
		30/06/13	3.29	38.01	29.74	–	–	7.42	21.54
van Eyk Blueprint International Shares	MAQ0293AU	30/06/14	2.97	–	97.03	–	–	–	–
		30/06/13	–	–	100.00	–	–	–	–

How the asset allocation is determined

Investments held through the Macquarie Life policy represented 100 per cent of SuperOptions as at 30 June 2014. The asset allocation for each investment option is determined and provided by the investment managers. Asset allocations in SuperOptions may vary from the underlying unit trusts due to SuperOptions investment options holding additional cash for liquidity and taxation purposes (where applicable).

Asset allocation can vary over time within ranges specified by the individual investment managers.

Investment strategies

The Trustee formulates and gives effect to investment strategies and objectives for the Fund which gives regard to the whole of the circumstances of the Fund, but not limited to investment risk, diversification, liquidity and the ability of the Fund to discharge liabilities. In line with our obligations, the Trustee reviews these strategies on an ongoing basis. This section outlines the general characteristics of the current investment strategies.

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

Investment strategy	Cash	Australian fixed interest
Objective	Aims to achieve returns over the short-term with a high level of capital security.	Aims to achieve returns via income and capital growth over the medium to long-term with a high to medium level of capital security.
Strategy	Exposure to short-term money market securities and fixed interest securities with maturities of less than 12 months.	Exposure to money market securities and fixed interest securities, both long and short-term, of Australian governments, semi-government, companies and asset backed securities.
Target return (% pa)	4.5% to 5.5%	4.5% to 6.0%
Target risk (% pa)	1.0% to 1.5%	3.5% to 5.0%
Standard Risk Measure (SRM) range	1	3 to 4
Suggested minimum timeframe	No minimum	2 years
Sub strategy	N/A	Diversified
Investment options available	Macquarie Deposit	<ul style="list-style-type: none"> • Macquarie Australian Fixed Interest⁴ • UBS Australian Bond

Investment strategy	Global fixed interest	Australian property
Objective	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 a medium to long-term via income and capital growth with a medium to low level of capital security.
Strategy	Exposure to money market securities and fixed interest securities, both long and short-term, of global government, semi-government companies and asset backed securities.	Exposure to Australian property equity, in listed, unlisted and direct forms.
Target return (% pa)	4.5% to 6.5%	6.5% to 9.0%
Target risk (% pa)	4.0% to 6.0%	8.0% to 18.0%
SRM range	3 to 4	5 to 7
Suggested minimum timeframe	3 years	6 years
Sub strategy	Diversified	<ul style="list-style-type: none"> • Listed • Unlisted
Investment options available	Macquarie Diversified Fixed Interest	<ul style="list-style-type: none"> • APN Unlisted Property^{4,5} • Colonial First State Wholesale Property Securities⁵ • Macquarie Property Securities^{4,5}

⁴ This investment is closed to new applications.

⁵ The Trustee recommends this investment be held as part of a diversified portfolio.

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)	5.5% to 8.0%	6.5% to 9.0%	7.5% to 9.5%
Target risk (% pa)	3.5% to 6.0%	5.0% to 12.0%	10.0% to 14.5%
SRM Range	3	4 to 6	6
Suggested minimum timeframe	2 years	5 years	6 years
Sub strategy	Not applicable	Not applicable	Not applicable
Investment options available	<ul style="list-style-type: none"> • BT Wholesale Conservative Outlook⁴ • Macquarie Capital Stable option • UBS Defensive Investment⁴ • van Eyk Blueprint Capital Stable Fund⁶ 	<ul style="list-style-type: none"> • Aberdeen Multi-Asset Real Return⁴ • BlackRock Scientific Diversified Stable • BT Wholesale Balanced Returns⁴ • Macquarie Balanced option • Macquarie OneChoice option⁴ 	<ul style="list-style-type: none"> • AMP Capital Balanced Growth Fund Class A • BlackRock Scientific Diversified Growth • Colonial First State Wholesale Diversified⁴ • Macquarie Growth option • OnePath Wholesale Managed Growth⁴ • Perpetual's Wholesale Balanced Growth • van Eyk Blueprint Balanced Fund⁶ • van Eyk Blueprint High Growth Fund⁶

⁴ This investment is closed to new applications.

⁶ This investment is terminating at the time of printing this report.

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	Exposure to equity of Australian companies, via shares and other securities primarily listed on the ASX.	Exposure to equity of global companies, via shares and other securities primarily listed on approved exchanges.	Exposure to equity of global companies, via shares and other securities primarily listed on approved exchanges. Investments may focus on specific sectors, themes, countries or regions.
Target return (% pa)	7.0% to 9.0%	7.0% to 9.5%	6.5% to 9.0%
Target risk (% pa)	15.5% to 20.5%	11.0% to 19.0%	10.0% to 22.0%
SRM range	6 to 7	6 to 7	6 to 7
Suggested minimum timeframe	7 years	6 years	8 years
Sub strategy	<ul style="list-style-type: none"> • Small cap • Sector specific • Specialist • Diversified 	<ul style="list-style-type: none"> • Index • Diversified 	Specialist
Investment options available	<ul style="list-style-type: none"> • Alphinity Wholesale Australian Share • AMP Capital Equity Fund Class A⁴ • Colonial First State Wholesale Imputation⁴ • Macquarie Australian Equities option • Macquarie Geared Growth⁵ • Macquarie Small Companies⁵ • Maple-Brown Abbot Imputation • NovaPort Australian Smaller Companies^{4,5} • OnePath Wholesale Blue Chip Imputation⁴ • Perpetual's Wholesale Industrial⁵ • Schroder Wholesale Australian Equity • UBS Australian Share⁴ • van Eyk Blueprint Australian Shares Fund⁶ 	<ul style="list-style-type: none"> • Aberdeen Actively Hedged International Shares • AMP Capital Wholesale Global Equity Growth⁴ • Arrowstreet Global Equities • EQT Dundas Global Equity⁴ • GMO Global Equity • Goldman Sachs International Wholesale⁴ • Macquarie IFP Global Franchise⁴ • van Eyk International Shares Fund 	Platinum International Fund

⁴ This investment is closed to new applications.

⁵ The Trustee recommends this investment be held as part of a diversified portfolio.

⁶ This investment is terminating at the time of printing this report.

Important information

Amendments to the Fund's trust deed

The trust deed for the Fund was amended, effective 1 April 2014. For more information and a copy of the current trust deed for the Fund, please visit macquarie.com.au/yourwrap. A brief summary of each amendment is described below.

The Trustee's investment discretion

Amendments were made to Clauses A2.6, A2.7 and 7.1 in Schedule 2(a) and A3.6, A3.7 and 7.1 in Schedule 2(b) of the trust deed in respect of how the Trustee may exercise discretion in relation to the addition and removal of investment options from the investment menu of the products offered within the Fund.

The changes limit the Trustee's discretion as it relates to individual investment selection decisions undertaken by members and, where applicable, their advisers (subject to an investment limits framework designed to encourage diversification and liquidity).

Dealing with illiquid investments

Amendments were made to sub-section 2.5 and 3.10 of the trust deed in respect of how the Trustee may deal with members of the Fund to voluntarily acquire certain illiquid investments and to allow members to exit the Fund in accordance with their withdrawal or rollover instructions.

The amendments also describe the operation of the Trustee's right to be indemnified out of the assets of the Fund as it relates to illiquid investments with no or very little residual value.

Maintaining compliance of the trust deed

Amendments were made to section 17 of the trust deed to describe how changes made to relevant laws and regulations shall be automatically incorporated into the trust deed and how the provisions in the trust deed shall operate to maintain compliance with the relevant laws and regulations.

Super disclosure changes from 1 July 2014

New disclosure requirements for superannuation trustees came into effect on 1 July 2014 and aim to increase transparency by providing more extensive and timely information about superannuation funds to members.

Information about the Fund is available from macquarie.com.au/yourwrap and includes:

- 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.

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 Product Disclosure Statement (PDS).

Establishment of fund reserve

During the year a reserve was established 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 2014.

Removal of small member account protection standards

From 1 July 2013, the Government repealed member protection standards within the SIS Regulations designed to protect small member account balances.

The Trustee has elected to continue to protect member account balances below \$1,000 by not charging administration fees on these accounts until an Eligible Rollover Fund (ERF) review is conducted.

From 1 January 2015, if your account balance is below \$1,000 we may write to you to explain our ERF process and inform you of what these changes may mean to your account.

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 2015.

Updated Privacy Policy

Macquarie's Privacy Policy was updated on 12 March 2014 in accordance with new Australian Privacy Principles. The Privacy Policy was updated to include new information about:

- the way we collect and handle your personal information, including the sources we use to collect information about you
- who we may exchange your information with and where they are located (including what laws we may be required to disclose information under)
- your right to request access to, or correct, the information we hold about you and how you can make a complaint.

For a copy of the Privacy Policy, please visit macquarie.com.au

Accessing your Annual Report

You can view the latest Annual Report for the Fund online at any time by visiting macquarie.com.au/yourwrap. You may also elect to have a hard copy of the Annual Report sent to you free of charge.

Financial Services Council

MIML complies with the Financial Services Council Standard 20: *Superannuation Governance Policy*.

Legislative updates

Since the beginning of the 2013/14 financial year, the following changes affecting superannuation have occurred. Some of these changes are subject to passage of legislation through Parliament, as indicated below.

Concessional contributions cap

The general concessional contributions cap increased on 1 July 2014 from \$25,000 to \$30,000, as a result of indexation.

In 2014/15, the higher concessional contributions cap of \$35,000 has been extended to individuals aged 49 and over at 30 June 2014. In the previous year this higher cap was only available to those aged 59 and over at 30 June 2013. All other individuals are subject to the general concessional contributions cap.

Non-concessional contributions cap

The standard non-concessional contributions cap increased on 1 July 2014 from \$150,000 to \$180,000, as a result of indexation.

Those under age 65, at any time in the financial year, may use the 'bring forward' rule to contribute up to three times the standard non-concessional cap, so as to contribute a maximum of \$540,000 over a three year period where the 'bring forward' rule is triggered from 1 July 2014. Members wishing to make use of this rule should seek professional advice.

Excess non-concessional contributions

The Government announced in the 2014 Federal Budget to change the treatment of excess non-concessional contributions made from 1 July 2013. It is proposed to allow individuals to withdraw any excess amount, plus an associated earnings amount. The associated earnings amount is proposed to be included in the individual's assessable income and taxed at marginal rates. This measure is not yet law at the time of writing.

Superannuation Guarantee

The Superannuation Guarantee (SG) rate increased from 9.25 per cent to 9.5 percent on 1 July 2014.

Legislation has been passed by Parliament to pause the SG rate at 9.5 per cent from 1 July 2015 to 30 June 2021. The SG rate will increase to 10 per cent from 1 July 2021, with further increases of half a percentage point each year until it reaches 12 per cent on 1 July 2025.

Low income superannuation contributions

Legislation has been passed by Parliament to cease payment of the low income superannuation contribution (LISC) from 1 July 2017. LISC effectively provides a refund of taxable contributions up to a maximum of \$500 per year, where an individual's income is less than \$37,000.

This means the LISC will no longer be payable for contributions made after 30 June 2017.

SuperStream

Measures aimed at improving the administration and management of member accounts were introduced from 1 July 2013. These measures, known as SuperStream, included the introduction of a new data and payment standard for the electronic processing of rollovers. This standard applies to contributions made by medium to large employers from 1 July 2014, subject to transitional arrangements. For small employers, the standard will apply from 1 July 2015.

Insurance within superannuation

From 1 July 2014, superannuation regulations restrict the types of insurance that can be put in place within a superannuation fund. The regulations require alignment of the definitions of insurance inside superannuation with the superannuation law payment rules for death, terminal medical condition, permanent incapacity and temporary incapacity. This means that superannuation fund trustees are not able to take out certain types of cover or cover with certain features and benefits from 1 July 2014. Insurance cover held for existing fund members that is in place prior to 1 July 2014 is not affected.

Deeming of account-based pensions

From 1 January 2015, the treatment of account-based pensions under the income test for social security entitlements will change.

An assumed amount of income known as 'deemed' income will be assessed under the income test from 1 January 2015, replacing the current method of assessing an individual's pension income less a deduction amount.

Where an individual has an existing account-based pension and is in receipt of social security benefits on 1 January 2015, their pension will continue to be assessed under the pre 1 January 2015 rules provided both the pension and social security entitlements are retained.

Changes to the treatment of account-based pensions for the Commonwealth Seniors Health Card (the Card) are also proposed. A deemed level of income is proposed to be included in the income test for the Card from 1 January 2015.

Where an individual has an existing account-based pension and holds the Card on 1 January 2015, their pension is proposed to continue to be exempt from the income test provided both the pension and Card is retained. Please note that this measure is not yet law at the time of writing.

Future of Financial Advice amendments

Further refinements were made to the Future of Financial Advice (FOFA) reforms, including the removal of the catch-all provision from the best interests duty requirement for financial advisers, removal of the opt-in requirement and fee disclosure statement obligations for existing clients as at 1 July 2013 and the clarification of various conflicted remuneration arrangements.

Regulations came into effect from 1 July 2014 but have subsequently been disallowed and are no longer law at the time of writing.

Other refinements including further disclosures in Statements of Advice and the requirement for both advisers and clients to sign and acknowledge Statements of Advice continue to apply.

Temporary budget repair levy

In the 2014 Federal Budget, the Government announced the introduction of a temporary budget repair levy. The levy is calculated as two per cent for the part of an individual's taxable income that exceeds \$180,000 in the 2014/15, 2015/16 and 2016/17 income years. This may increase the tax withheld on some payments from superannuation.

The levy also increases the tax applicable to certain excess non-concessional contributions and for concessional contributions where no Tax File Number is provided to the fund.

Increase to Medicare levy

As a result of the introduction of Disability Care Australia, the Medicare levy increased on 1 July 2014, from 1.5 per cent to two per cent. This may impact on the tax withheld on some payments from superannuation.

Increase to low rate cap

The low rate cap increased from \$180,000 to \$185,000 from 1 July 2014, as a result of indexation. The low rate cap limits the amount of taxable component benefits an individual may withdraw from their super between preservation age and age 60 where a zero rate of tax is applied. Amounts withdrawn above the limit are generally taxed at 15 per cent plus Medicare levy.

The APRA levy

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

As the fund is regulated by APRA, the next levy instalment will be debited from members' accounts no later than December 2014.

Trustee and fund management information

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

During the 2013/14 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 (\$1.717 billion)
- in Macquarie Group Limited (\$2.148 billion) including the Macquarie Wrap Solutions Cash Account (\$1.188 billion)
- in Dimensional Funds Australia Limited (\$1.863 billion)
- in Vanguard Investments Australia Limited (\$1.018 billion).

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

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

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 SuperOptions.

Eligible Rollover Fund

The Trustee reserves the right to pay all accounts with a balance up to \$1,200 to an ERF, which accepts small amounts. The ERF chosen is called the Super Safeguard Eligible Rollover Fund.

APRA has approved the Super Safeguard Eligible Rollover Fund to operate as an ERF. The trustee is Trust Company Superannuation Services Limited ABN 49 006 421 638 AFSL 235153 RSEL L0000635.

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

Super Safeguard Eligible Rollover Fund

GPO Box 3426
Melbourne
VIC 3001

Phone: 1300 135 181

Fax: 1300 135 191

Email: enquiries@supersafeguard.com.au

Website: supersafeguard.com.au

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

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

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

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

Complaints

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

If you are not satisfied with the result, please contact us on 1800 801 651. Alternatively, please write to us at the address below.

Macquarie Investment Management Limited

GPO Box 4045
Sydney NSW 2001

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

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

Further information

Further information is available from either:

- your adviser (if applicable)
- by contacting us on 1800 801 651.

Financial statements of the Fund⁷

Operating statement for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
Investment revenue		
Changes in the net market value of investments	849,190	1,005,095
Interest	34,480	44,208
Distributions from unit trusts	340,833	264,549
Dividends	119,328	102,447
Total investment revenue	1,343,831	1,416,299
Contributions revenue		
Employer contributions	222,111	195,901
Members' contributions	511,091	416,163
Transfers from other Funds	1,313,720	1,152,599
Total contributions revenue	2,046,922	1,764,663
Other revenue		
Insurance proceeds	5,659	7,297
Total revenue	3,396,412	3,188,259
Expenses		
Insurance premiums	56,633	45,008
Operating expenses	151,688	130,345
Superannuation contributions surcharge	4	20
Total expenses	208,325	175,373
Benefits accrued as a result of operations before income tax	3,188,087	3,012,886
Income tax expense/(benefit)	15,666	16,722
Benefits accrued as a result of operations	3,172,421	2,996,164

⁷ This Annual Report contains abridged financial information for the financial year ended 30 June 2014 for the Fund. The full financial information is available upon request by contacting your adviser, or us on 1800 801 651.

Statement of financial position as at 30 June 2014

	2014 \$'000	2013 \$'000
Assets		
Cash and cash equivalents	316,072	240,985
Investments	12,614,425	10,924,028
Receivables	132,676	67,188
Current tax asset	21,522	22,551
Deferred tax asset	–	30,920
Total assets	13,084,695	11,285,672
Liabilities		
Trade and other payables	13,474	11,742
Deferred tax liability	1,960	–
Total liabilities	15,434	11,742
Net assets available to pay benefits	13,069,261	11,273,930
Represented by:		
Liability for accrued benefits		
Allocated to members' accounts	13,069,261	11,273,930

Contacts

Mailing address

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Adelaide SA 5000

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Perth WA 6000

For more information, financial advisers call 1800 801 651 or visit macquarie.com.au/advisers

Existing members, call 1800 801 651 or fax 1800 025 175.