

Annual report to members for the year ended 30 June 2016

Macquarie SuperOptions



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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 237492 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 MIMLs 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 9 December 2016 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

9 December 2016

Dear Member,

Welcome to the Annual Report for Macquarie SuperOptions (SuperOptions) for the financial year ended 30 June 2016.

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 2016, which gives details of your benefits in the Fund.

What happened this year?

In the last 12 months, we've seen developments in global economics which suggest that the underlying challenge remains the ability to drive growth and the effectiveness of monetary policy in delivering this.

In Australia, while headline gross domestic product appeared favourable, transitioning the economy away from the growth driven by mining investment and the lack of job creation remained challenging. With minimal wage pressures as well as declining participation rates and hours worked, the Reserve Bank of Australia (RBA) was faced with weaker than expected inflation and responded with two 25 basis point rate cuts throughout the year.

Overseas in the United Kingdom (UK), we saw the Bank of England swiftly respond to the decision to leave the European Union with a cut to interest rates, pre-empting any deterioration in economic conditions. While we expect the Brexit decision will have a negative impact on economic growth in both the UK and Europe generally, it remains difficult to quantify at this point in time. The US economy however remained the global growth bright spot as the headwinds of a strong US dollar and declining energy sector subsided. Robust growth in consumer spending coupled with ongoing job gains and improving wage growth helped to support the economy.

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 SuperOptions in general, please contact your adviser or Macquarie on 1800 801 651.

Yours sincerely,



Bill Marynissen

Executive Director
Macquarie Investment Management Limited

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 (the Fund), which includes SuperOptions.

The financial year in review¹

The global economy

Attempts to stimulate demand and fuel inflation have largely failed and growth in advanced economies refuses to accelerate. Despite this, there are pockets of green shoots and while economic growth may be below historic norms, the situation does not appear to be deteriorating. A consensus is also developing amongst economists and policymakers that monetary policy alone should not be left to do the 'heavy lifting' to get economies back on track and that fiscal policy plays a critical role in laying the framework for future growth.

By global standards, the US economy is a bright spot. The headwinds of a strong US dollar and declining energy sector investment have subsided and robust growth in consumer spending is supported by ongoing jobs gains and steadily improving wage growth. In light of the improving circumstances, the US Federal Reserve has been consistently guiding market participants to expect higher interest rates. No other advanced economy is at the same point of monetary policy normalisation, with the bias globally very much tilted towards easing.

In Europe, the European Central Bank's (ECB) quantitative easing programme will conclude in March 2017 unless extended by the ECB. The complications around expanding the programme relate to the availability of appropriate assets purchased. President of the ECB, Mario Draghi, has stated that although growth is weak, he doesn't think it will get weaker. While we expect Europe's recovery to be sluggish, evidence continues to mount that an employment-led recovery is underway in the region. As employment increases, households will have greater confidence to assume debt and spend money, which is important if the recovery is to maintain momentum. Recent employment data shows that the labour market recovery is on track and, encouragingly, job vacancies are high. This suggests there is still plenty of scope for further employment growth, which is supported by surveys released by firms about employment intentions. There is however very little upward momentum in nominal hourly wages, highlighting concerns around the weakness of underlying inflation.

Despite a slim majority in favour of United Kingdom's exit from the European Union (EU) after a 'stay' campaign, the situation in the UK is not as negative as first thought. Data shows that the signs of economic disaster in the lead up to the referendum remain unfulfilled. Outcomes have been broadly better than expected, supported by a cut in interest rates by the Bank of England, pre-empting any deterioration in conditions. The longer term implications of a Brexit however are complex and difficult to accurately quantify. It's likely that the UK will endure worse, not better, economic times over the next few years as a result of the decision to leave the EU, while the impact on Europe will also likely be negative, but less so. UK Prime Minister Theresa May has stated that she will trigger Article 50 in March 2017, formally beginning proceedings for UK's exit from the EU.

In Japan, economic growth remains subdued, while stubborn disinflation and deflationary expectations fail to respond to quantitative easing measures designed to support prices. Strength in the Japanese Yen has impacted the ability of the Bank of Japan (BoJ) to achieve its inflation target, which will likely necessitate the extension of unconventional monetary policy initiatives. Appreciation in the currency is also making it difficult for Japanese exporters to turn a profit while competing with China, US and Europe in categories like vehicles, engines and electronics, which are Japan's largest exports. It may fall to fiscal policy and the government's reform agenda, particularly the Trans-Pacific Partnership, for an eventual solution to Japan's inflation and growth dilemma.

Emerging markets are becoming increasingly important as engines of global growth, with momentum in these regions picking up slightly over 2016. Growth in China appears to be steady at a little under 7 per cent, as policy efforts to drive a transition from industry to services continues, and consumption remains robust. In crisis-affected economies of Brazil and Russia, things appear to be improving. Brazil is still in recession but likely through the worst of it as commodity prices gradually firm and political uncertainty wanes, while Russia is approaching some semblance of stability as oil prices make a modest recovery and the initial shock of sanctions dissipate.

The Australian economy

The evolution of risks to the Australian economy has been gradual, with consumers, businesses, central bankers and policymakers facing many of the same problems now as they were 12 months ago. Growth in China has slowed following the commodities boom and now appears to be stable between 6.5 and 7 per cent while the price of iron ore, which bottomed in early 2016, remains weak.

Over the 2016 financial year, Australia's real gross domestic product (GDP) grew at an average pace of 2.9 per cent. While this compares favourably with rates of our developed peers, it masks the difficulties faced by the economy in making the transition away from growth driven by mining investment; capital expenditure growth in non-mining industries recently slumped into negative territory.

Job creation is also a problem. On the face of it, the headline growth rate is robust – big Australian exporters are shipping ever greater quantities of resources – but this is being achieved without growing the workforce. Australia's unemployment rate of 5.6 per cent is misleading, kept artificially low by a declining labour force participation rate. The composition of Australia's GDP growth permits the unemployment rate to continue falling, while wage pressures are weak and hours worked and the participation rate are in decline.

So far, the potential impacts from a Brexit event on Australian economic activity has been minimal and this is unlikely to change dramatically however, due to the heightened level of uncertainty, there remains potential for adverse effects of financial market volatility and shifts in consumer and business sentiment. While investment flows from the United Kingdom remain significant, as a trading partner it's of declining relevance as a market for Australian exports of goods and services, representing less than 3 per cent of total exports. Its share of total foreign investment is more significant, but waning, falling from 25 per cent in 2009 to 17 per cent in 2015.

The Reserve Bank of Australia (RBA) eased interest rates by 25 basis points in May and August, taking the cash rate to 1.50 per cent. Weaker than expected inflation outcomes have been a principal driver of the RBA's decision with underlying inflation now materially below the RBA's 2 to 3 per cent target band. Having downgraded its inflation expectations, the RBA does not expect underlying inflation to recover to its target band until 2018. Instrumental to the future path of monetary policy will be the degree to which the Australian dollar weakens in response to lower rates.

Commodity price indices show significant gains since hitting their lows earlier in the year. As prices have lifted, particularly those of coal, the trajectory of Australia's terms of trade have improved, along with the outlook for mining investment, with the latest capital expenditure survey indicating upgrades to mining investment expectations. Based on the improvement in commodity prices, our Australian economist estimates a new mining capital expenditure cycle could begin from financial year 2018. Interestingly, the weakest of the last few cycles saw expenditures nearly double in the five years following the cyclical low.

Investment returns to 30 June 2016

Investment option	1 year to 30 Jun 2016	1 year to 30 Jun 2015	1 year to 30 Jun 2014	1 year to 30 Jun 2013	1 year to 30 Jun 2012	5 years compound to 30 Jun 2016	Since Inception to 30 Jun 2016	Fund size as at 30 Jun 2016 (\$)	Fund size as at 30 Jun 2015 (\$)
Macquarie SuperOptions – Allocated Pension									
Aberdeen Actively Hedged International Shares	(2.79%)	10.73%	15.47%	23.73%	2.55%	9.53%	1.66%	165,411	262,542
Aberdeen Multi-Asset Real Return Fund ²	2.00%	7.98%	5.69%	7.17%	(0.10%)	4.50%	3.37%	441,443	495,841
Alphinity Wholesale Australian Share Fund	0.09%	4.53%	16.64%	23.41%	(4.92%)	7.44%	8.30%	286,252	378,131
AMP Capital Balanced Growth Class A	1.94%	9.39%	11.80%	17.48%	(1.10%)	7.68%	5.40%	640,088	836,835
AMP Capital Equity Class A ²	(1.71%)	6.83%	13.63%	22.34%	(5.73%)	6.58%	7.51%	407,730	494,482
APN Unlisted Property Fund ²	15.03%	11.76%	3.12%	4.06%	7.65%	8.22%	3.54%	168,925	187,690
Arrow Street Global Equities	(2.92%)	14.35%	29.61%	26.15%	(3.70%)	11.80%	6.90%	1,300,696	1,370,076
AMP Wholesale Global Equity Growth ²	(7.49%)	26.44%	17.58%	24.53%	(5.20%)	10.17%	1.08%	19,716	21,328
BlackRock Scientific Diversified Growth	1.53%	7.60%	12.50%	15.96%	0.21%	7.38%	5.75%	1,134,800	1,434,617
BlackRock Scientific Diversified Stable	2.98%	4.43%	8.09%	8.70%	4.28%	5.67%	4.64%	773,876	918,204
BT Wholesale Balanced Returns ²	1.86%	9.98%	9.15%	10.94%	(0.34%)	6.21%	3.71%	36,222	44,081
BT Wholesale Conservative Outlook ²	3.33%	6.89%	6.66%	4.05%	4.23%	5.02%	4.30%	13,687	21,215
Colonial First State Wholesale Diversified ²	3.16%	8.33%	11.90%	16.34%	(1.88%)	7.37%	4.20%	874,873	1,067,123
Colonial First State Wholesale Imputation ²	0.77%	6.01%	16.97%	14.39%	(5.36%)	6.22%	6.98%	36,415	38,609
Colonial First State Wholesale Property Securities	22.63%	18.65%	8.90%	21.92%	7.75%	15.77%	4.50%	1,025,199	930,967
GMO Global Equity	(7.12%)	18.53%	21.90%	30.66%	(3.17%)	11.16%	2.93%	251,314	280,099
Goldman Sachs International Wholesale ³	(6.46%)	27.16%	18.45%	36.16%	(1.61%)	13.53%	3.06%	4,935	10,770
IFP Global Franchise ²	9.57%	27.96%	14.87%	29.31%	10.12%	18.04%	9.31%	93,064	94,367
OnePath Wholesale Blue Chip Imputation ²	(6.89%)	2.62%	14.20%	21.26%	(6.25%)	4.40%	5.92%	449,482	539,264
OnePath Wholesale Managed Growth ²	1.12%	8.38%	10.73%	12.76%	(3.13%)	5.79%	4.32%	384,590	412,539
Macquarie Australian Equities	11.83%	10.33%	20.77%	15.16%	(9.32%)	9.24%	7.52%	3,070,536	3,098,082
Macquarie Australian Fixed Interest	5.89%	3.94%	4.96%	4.26%	10.50%	5.88%	5.51%	588,471	662,630
Macquarie Balanced	4.92%	8.75%	12.66%	13.70%	1.49%	8.19%	7.64%	58,165,158	64,051,298
Macquarie Capital Stable	3.18%	4.52%	6.47%	8.06%	5.00%	5.43%	5.85%	20,526,155	23,073,025
Macquarie Deposit	1.32%	1.42%	1.48%	2.09%	3.48%	1.95%	3.85%	13,929,483	16,352,877
Macquarie Diversified Fixed Interest	4.66%	2.79%	3.82%	1.70%	9.46%	4.45%	4.87%	4,091,165	4,551,107
Macquarie Geared Growth ²	3.37%	5.40%	21.60%	27.77%	(20.92%)	6.00%	6.55%	209,186	217,389
Macquarie Growth	8.14%	10.01%	17.37%	14.49%	(2.90%)	9.18%	6.71%	2,009,450	2,056,820
Macquarie OneChoice ²	9.38%	10.17%	15.99%	15.42%	0.75%	10.19%	6.93%	235,364	299,843
Macquarie Property Securities ²	22.60%	17.38%	9.12%	22.47%	9.72%	16.09%	6.49%	1,787,895	1,696,918
Macquarie Small Companies Growth	48.78%	1.39%	20.63%	(0.92%)	(14.28%)	9.09%	11.32%	882,483	756,352
Maple-Brown Abbott Imputation Fund	(7.81%)	7.32%	12.83%	22.13%	(4.46%)	5.42%	6.15%	1,358,120	1,739,809
NovaPort Australian Smaller Companies ²	3.22%	4.52%	19.37%	24.34%	3.43%	10.61%	11.08%	83,005	99,306
Perpetual's Wholesale Balanced Growth	1.24%	6.50%	13.00%	18.92%	1.44%	8.00%	5.76%	4,532,770	5,139,284
Perpetual's Wholesale Industrial	(0.99%)	7.20%	17.09%	27.51%	5.69%	10.85%	8.58%	3,294,821	3,694,389
Platinum International	(7.50%)	18.88%	17.15%	34.60%	(7.60%)	9.87%	5.94%	3,619,822	4,522,183
Schroder Wholesale Australian Equity	(6.09%)	2.85%	14.70%	23.46%	(4.20%)	5.55%	9.24%	2,322,609	3,197,277
UBS Australian Bond	5.49%	3.14%	4.82%	1.98%	10.02%	5.05%	4.88%	1,194,926	1,175,815
UBS Australian Share ²	(3.08%)	4.08%	14.50%	21.49%	(5.25%)	5.85%	8.31%	775,271	1,014,909
UBS Defensive Investment ²	0.34%	5.89%	9.33%	11.44%	5.06%	6.34%	5.21%	781,359	900,086
van Eyk Blueprint Australian Shares ³	n/a	(5.50%)	19.25%	19.92%	(7.94%)	n/a	n/a	n/a	19,101
van Eyk Blueprint Balanced ³	n/a	(0.36%)	6.69%	8.51%	(1.15%)	n/a	n/a	n/a	3,019,420
van Eyk Blueprint Capital Stable ³	n/a	0.51%	4.84%	6.54%	2.29%	n/a	n/a	n/a	859,128
van Eyk Blueprint High Growth ³	n/a	0.71%	9.57%	12.55%	(3.04%)	n/a	n/a	n/a	367,358
van Eyk Blueprint International Shares ³	n/a	(1.42%)	11.46%	20.09%	(2.38%)	n/a	n/a	n/a	8,374
Macquarie SuperOptions – Super/Rollover									
Aberdeen Actively Hedged International Shares	(2.46%)	9.69%	14.03%	21.00%	2.19%	8.56%	1.32%	4,284,863	4,582,392
Aberdeen Multi-Asset Real Return Fund ²	3.38%	5.07%	5.04%	7.62%	0.02%	4.19%	2.97%	1,130,599	1,393,591
Alphinity Wholesale Australian Share Fund	(0.35%)	3.73%	16.30%	22.92%	(5.10%)	6.99%	7.48%	1,470,822	1,580,998
AMP Capital Balanced Growth Class A	1.56%	8.68%	10.95%	16.43%	(1.65%)	6.99%	4.79%	3,675,982	3,672,604
AMP Capital Equity Class A ²	(1.73%)	5.35%	12.78%	23.86%	(7.53%)	5.98%	6.78%	787,804	1,107,860
APN Unlisted Property Fund ²	18.42%	26.02%	(9.20%)	2.58%	6.12%	8.07%	3.13%	225,940	252,041
Arrow Street Global Equities	(2.90%)	13.41%	27.44%	23.81%	(4.35%)	10.68%	6.16%	11,415,533	12,811,627
AMP Wholesale Global Equity Growth ²	(7.13%)	23.97%	16.89%	22.54%	(5.81%)	9.20%	(1.38%)	613,814	847,095

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 2016	1 year to 30 Jun 2015	1 year to 30 Jun 2014	1 year to 30 Jun 2013	1 year to 30 Jun 2012	5 years compound to 30 Jun 2016	Since Inception to 30 Jun 2016	Fund size as at 30 Jun 2016 (\$)	Fund size as at 30 Jun 2015 (\$)
BlackRock Scientific Diversified Growth	2.36%	6.82%	14.24%	17.24%	(1.54%)	7.58%	5.08%	3,989,249	4,134,150
BlackRock Scientific Diversified Stable	2.58%	3.54%	7.13%	7.53%	3.37%	4.81%	4.03%	1,306,121	1,467,515
BT Wholesale Balanced Returns ²	1.49%	8.22%	9.05%	11.02%	(0.56%)	5.74%	3.20%	315,882	317,949
BT Wholesale Conservative Outlook ²	3.12%	5.81%	6.01%	5.35%	3.41%	4.73%	3.60%	184,263	183,554
Colonial First State Wholesale Diversified ²	2.94%	7.12%	11.64%	15.55%	(2.53%)	6.74%	3.82%	5,649,567	6,188,018
Colonial First State Wholesale Imputation ²	0.09%	4.56%	14.28%	21.93%	(7.11%)	6.25%	6.36%	356,171	416,001
Colonial First State Wholesale Property Securities	19.92%	18.03%	7.30%	23.29%	8.04%	15.11%	3.79%	3,776,736	3,531,245
EQT Dundas Global Equity	(2.27%)	15.64%	14.33%	23.47%	(2.16%)	9.31%	1.63%	35,199	36,008
GMO Global Equity	(6.34%)	16.47%	19.09%	27.67%	(4.12%)	9.71%	2.60%	1,066,979	1,190,813
Goldman Sachs International Wholesale ³	(5.80%)	24.51%	16.85%	32.00%	(1.66%)	12.20%	2.89%	648,353	751,210
IFP Global Franchise ²	8.67%	26.02%	13.78%	26.08%	8.88%	16.41%	8.42%	937,064	989,002
OnePath Wholesale Blue Chip Imputation ²	(6.18%)	1.61%	16.38%	26.15%	(9.72%)	4.78%	5.54%	1,981,183	2,564,358
OnePath Wholesale Managed Growth ²	0.76%	7.31%	9.87%	12.51%	(3.88%)	5.13%	3.86%	3,154,257	3,414,005
Macquarie Australian Equities	10.34%	8.69%	19.66%	14.19%	(10.24%)	8.01%	6.32%	13,425,996	12,682,182
Macquarie Australian Fixed Interest	5.23%	2.87%	4.15%	3.31%	8.69%	4.82%	4.74%	2,496,218	2,320,523
Macquarie Balanced	4.70%	7.86%	12.16%	12.37%	0.16%	7.34%	6.35%	55,888,539	59,145,141
Macquarie Capital Stable	2.65%	3.81%	5.80%	6.93%	3.91%	4.60%	4.93%	7,755,507	9,106,426
Macquarie Deposit	0.98%	1.16%	1.26%	1.88%	3.08%	1.67%	3.28%	54,669,558	60,525,126
Macquarie Diversified Fixed Interest	3.90%	2.27%	3.14%	1.20%	7.87%	3.65%	4.19%	4,299,478	4,755,535
Macquarie Geared Growth ²	5.11%	3.83%	26.36%	35.16%	(24.84%)	6.97%	6.09%	8,730,205	9,421,079
Macquarie Growth	5.53%	9.15%	15.85%	15.30%	(3.37%)	8.24%	5.87%	29,111,232	28,880,503
Macquarie OneChoice ²	8.95%	8.86%	14.85%	13.81%	(0.23%)	9.10%	6.00%	6,689,347	6,966,484
Macquarie Property Securities ²	24.88%	15.38%	9.29%	20.09%	8.53%	15.45%	5.81%	4,892,877	4,377,844
Macquarie Small Companies Growth	48.47%	0.16%	22.28%	(3.48%)	(16.00%)	8.06%	9.80%	12,928,871	9,810,015
Maple-Brown Abbott Imputation Fund	(7.10%)	5.95%	14.62%	26.05%	(6.74%)	5.80%	5.79%	5,661,866	6,314,716
NovaPort Australian Smaller Companies ²	3.01%	3.04%	20.10%	25.49%	0.92%	10.04%	10.39%	522,042	564,478
Perpetual's Wholesale Balanced Growth	1.27%	5.95%	12.32%	17.86%	1.01%	7.48%	5.41%	33,962,052	35,852,968
Perpetual's Wholesale Industrial	(1.24%)	6.43%	16.63%	27.61%	3.86%	10.18%	7.92%	7,339,115	8,325,969
Platinum International	(6.65%)	17.34%	15.56%	29.81%	(7.08%)	8.82%	5.28%	11,468,453	13,179,888
Schroder Wholesale Australian Equity	(5.76%)	2.23%	13.79%	21.34%	(4.31%)	4.94%	8.45%	5,337,393	6,074,378
UBS Australian Bond	4.88%	2.61%	4.14%	1.44%	8.71%	4.32%	4.18%	1,489,730	1,439,874
UBS Australian Share ²	0.18%	2.92%	14.66%	22.55%	(7.47%)	6.03%	7.69%	2,120,171	2,438,955
UBS Defensive Investment ²	0.23%	4.66%	8.38%	9.79%	4.08%	5.37%	4.40%	1,449,309	1,480,860
van Eyk Blueprint Australian Shares ³	n/a	0.02%	17.47%	17.43%	(7.51%)	n/a	n/a	n/a	52,265
van Eyk Blueprint Balanced ³	n/a	(0.18%)	5.68%	7.29%	(1.40%)	n/a	n/a	n/a	1,445,888
van Eyk Blueprint Capital Stable ³	n/a	0.45%	3.99%	5.57%	1.63%	n/a	n/a	n/a	309,953
van Eyk Blueprint High Growth ³	n/a	0.37%	8.40%	10.83%	(3.38%)	n/a	n/a	n/a	1,158,731
van Eyk Blueprint International Shares ³	n/a	(4.57%)	9.69%	17.60%	(2.19%)	n/a	n/a	n/a	108,435

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 2016

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	30/06/15	2.02	0.00	97.98	0.00	0.00	0.00	0.00
		30/06/16	0.71	0.00	99.29	0.00	0.00	0.00	0.00
Aberdeen Multi-Asset Real Return Fund	CRS0002AU	30/06/15	8.21	20.74	11.17	29.75	17.50	5.94	6.69
		30/06/16	6.64	19.48	9.01	17.89	26.48	7.25	13.25
Alphinity Wholesale Australian Share Fund	HOW0019AU	30/06/15	1.00	99.00	0.00	0.00	0.00	0.00	0.00
		30/06/16	4.76	95.24	0.00	0.00	0.00	0.00	0.00
AMP Capital Balanced Growth Class A	AMP0441AU	30/06/15	10.91	31.10	29.19	13.97	3.56	10.52	0.75
		30/06/16	13.57	29.19	27.65	12.94	3.35	12.79	0.51
AMP Capital Equity Class A	AMP0370AU	30/06/15	8.54	82.86	1.04	0.00	0.00	7.56	0.00
		30/06/16	6.47	84.66	0.85	0.00	0.00	8.02	0.00
APN Unlisted Property Fund	APN0016AU	30/06/15	8.08	0.00	0.00	0.00	0.00	91.92	0.00
		30/06/16	8.08	0.00	0.00	0.00	0.00	91.92	0.00
Arrow Street Global Equities	MAQ0464AU	30/06/15	0.00	0.00	97.48	0.00	0.00	2.52	0.00
		30/06/16	2.45	0.00	94.70	0.00	0.00	2.84	0.00
AMP Wholesale Global Equity Growth	NML0318AU	30/06/15	4.45	0.00	92.66	0.00	0.00	0.00	2.90
		30/06/16	5.56	0.00	92.96	0.00	0.00	0.00	1.48
BlackRock Scientific Diversified Growth	BAR0813AU	30/06/15	3.52	37.52	23.29	4.06	6.87	4.77	19.96
		30/06/16	3.41	35.99	22.78	4.41	12.52	5.34	15.55
BlackRock Scientific Diversified Stable	BAR0811AU	30/06/15	21.84	16.43	9.27	21.73	17.10	1.90	11.73
		30/06/16	22.28	15.98	8.82	22.03	20.37	1.86	8.66
BT Wholesale Balanced Returns	BTA0806AU	30/06/15	2.61	29.27	18.65	17.64	9.44	8.42	13.97
		30/06/16	4.32	25.45	16.26	15.98	14.95	9.15	13.89
BT Wholesale Conservative Outlook	BTA0805AU	30/06/15	7.60	12.78	8.94	33.63	17.58	6.65	12.81
		30/06/16	16.34	10.24	7.20	22.02	23.24	7.01	13.95
Colonial First State Wholesale Diversified	FSF0008AU	30/06/15	6.32	32.22	25.57	20.71	4.87	5.05	5.24
		30/06/16	6.19	32.55	27.04	18.65	10.74	4.83	0.00
Colonial First State Wholesale Imputation	FSF0003AU	30/06/15	2.04	97.96	0.00	0.00	0.00	0.00	0.00
		30/06/16	3.17	96.83	0.00	0.00	0.00	0.00	0.00
Colonial First State Wholesale Property Securities	FSF0004AU	30/06/15	2.08	0.00	0.00	0.00	0.00	97.92	0.00
		30/06/16	2.48	0.00	0.00	0.00	0.00	97.52	0.00
EQT Dundas Global Equity	THO0003AU	30/06/15	0.00	0.00	100.00	0.00	0.00	0.00	0.00
		30/06/16	0.00	0.00	100.00	0.00	0.00	0.00	0.00
GMO Global Equity	GMO0103AU	30/06/15	1.90	0.00	98.10	0.00	0.00	0.00	0.00
		30/06/16	1.90	0.00	98.10	0.00	0.00	0.00	0.00
Goldman Sachs International Wholesale	JBW0014AU	30/06/15	4.16	0.00	95.84	0.00	0.00	0.00	0.00
		30/06/16	5.84	0.00	85.47	0.00	0.00	0.00	8.69
IFP Global Franchise	MAQ0404AU	30/06/15	3.89	0.00	96.11	0.00	0.00	0.00	0.00
		30/06/16	4.42	0.00	95.58	0.00	0.00	0.00	0.00
Macquarie Australian Equities	MAQ0278AU	30/06/15	0.18	93.70				6.12	
		30/06/16	0.23	90.90	0.00	0.00	0.00	8.87	0.00
Macquarie Australian Fixed Interest	MAQ0061AU	30/06/15	1.85			86.32	11.83		
		30/06/16	0.00	0.00	0.00	93.70	6.30	0.00	0.00
Macquarie Balanced	MAQ0058AU	30/06/15	20.41	24.58	17.96	8.83	16.64	0.83	10.75
		30/06/16	27.99	24.76	16.98	6.29	21.72	2.26	0.00
Macquarie Capital Stable	MAQ0059AU	30/06/15	21.51	10.32	7.68	14.03	37.29	0.48	8.69
		30/06/16	39.63	10.75	6.04	8.31	34.16	1.11	0.00
Macquarie Diversified Fixed Interest	MAQ0274AU	30/06/15				79.50	20.50		
		30/06/16	0.00	0.00	0.00	63.50	36.50	0.00	0.00
Macquarie Geared Growth	MAQ0271AU	30/06/15	-89.87	174.62				15.25	
		30/06/16	-85.83	170.54	0.00	0.00	0.00	15.29	0.00
Macquarie Small Companies Growth	MAQ0085AU	30/06/15	9.90	77.40				12.70	
		30/06/16	4.97	83.96	0.00	0.00	0.00	11.07	0.00
Maple-Brown Abbott Imputation Fund	ADV0046AU	30/06/15	10.20	89.80	0.00	0.00	0.00	0.00	0.00
		30/06/16	3.45	96.55	0.00	0.00	0.00	0.00	0.00
NovaPort Australian Smaller Companies	HOW0016AU	30/06/15	12.49	87.51	0.00	0.00	0.00	0.00	0.00
		30/06/16	10.01	89.99	0.00	0.00	0.00	0.00	0.00
OnePath Wholesale Blue Chip Imputation	MMF0340AU	30/06/15	3.82	96.18	0.00	0.00	0.00	0.00	0.00
		30/06/16	8.60	89.20	0.00	0.00	0.00	2.20	0.00
OnePath Wholesale Managed Growth	MMF0115AU	30/06/15	6.79	23.65	27.09	7.71	8.80	4.76	21.20
		30/06/16	6.50	22.40	27.30	8.20	9.10	5.90	20.60

Investment name	APIR Code	As at	Cash (%)	Australian Equities (%)	International Equities (%)	Australian Fixed Interest (%)	International Fixed Interest (%)	Property (%)	Other (%)
Perpetual's Wholesale Balanced Growth	PER0063AU	30/06/15	18.53	26.47	28.33	10.77	3.88	6.40	5.62
		30/06/16	9.31	29.51	30.89	16.08	7.58	4.28	2.35
Perpetual's Wholesale Industrial	PER0046AU	30/06/15	8.89	90.33	0.00	0.00	0.00	0.78	0.00
		30/06/16	8.61	90.67	0.58	0.00	0.00	0.14	0.00
Platinum International	PLA0001AU	30/06/15	21.45		78.55				
		30/06/16	12.90	0.81	86.29	0.00	0.00	0.00	0.00
Schroder Wholesale Australian Equity	SCH0101AU	30/06/15	2.42	97.58	0.00	0.00	0.00	0.00	0.00
		30/06/16	2.59	97.41	0.00	0.00	0.00	0.00	0.00
SuperOptions Macquarie Deposit Option	N/A	30/06/15					100.00		
		30/06/16	0.00	0.00	0.00	0.00	100.00	0.00	0.00
UBS Australian Bond	SBC0813AU	30/06/15	7.63	0.00	0.00	92.39	-0.01	0.00	0.00
		30/06/16	1.97	0.00	0.00	102.11	-4.08	0.00	0.00
UBS Australian Share	SBC0817AU	30/06/15	6.02	88.94	0.00	0.00	0.00	0.26	4.78
		30/06/16	4.59	90.11	0.00	0.00	2.86	2.44	0.00
UBS Defensive Investment	SBC0814AU	30/06/15	15.55	19.94	19.38	34.30	4.79	5.52	0.52
		30/06/16	16.26	13.87	10.45	41.52	11.56	5.72	0.62
van Eyk Blueprint Australian Shares	MAQ0289AU	30/06/15	0.92	99.08	0.00	0.00	0.00	0.00	0.00
		30/06/16	0.92	99.08	0.00	0.00	0.00	0.00	0.00
van Eyk Blueprint Balanced	MAQ0290AU	30/06/15	1.90	25.34	20.09	2.66	14.86	18.24	16.90
		30/06/16	5.70	25.34	20.09	2.66	17.67	18.24	10.30
van Eyk Blueprint Capital Stable	MAQ0291AU	30/06/15	12.23	13.03	9.83	13.31	28.43	16.68	6.49
		30/06/16	12.23	13.03	9.83	13.31	28.99	16.68	5.93
van Eyk Blueprint High Growth	MAQ0292AU	30/06/15	1.91	34.83	29.38	0.00	1.63	18.38	13.87
		30/06/16	1.91	34.83	29.38	0.00	5.04	18.38	10.46
van Eyk Blueprint International Shares	MAQ0293AU	30/06/15	2.97	0.00	97.03	0.00	0.00	0.00	0.00
		30/06/16	2.97	0.00	97.03	0.00	0.00	0.00	0.00

How the asset allocation is determined

Investments held through the Macquarie Life policy represented 100 per cent of SuperOptions as at 30 June 2016.

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 including, 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. The following table outlines the current investment strategies available through Macquarie SuperOptions.

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)	3.0% to 4.5%	3.0% to 5.5%
Target risk (% pa)	0.4% to 1.5%	2.5% to 5.0%
Standard Risk Measure (SRM) range	1	1 to 5
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)	3.0% to 5.5%	6.5% to 8.5%
Target risk (% pa)	3.0% to 6.0%	8.0% to 18.5%
SRM range	4 to 6	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)	4.0% to 6.5%	5.0% to 8.0%	6.5% to 9.0%
Target risk (% pa)	3.5% to 7.0%	5.0% to 13.0%	11.0% to 16.5%
SRM Range	3 to 4	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 10.0%	6.5% to 8.0%	5.5% to 9.0%
Target risk (% pa)	15.5% to 21.0%	11.5% to 17.0%	11.5% to 22.5%
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 Wholesale⁶ • Macquarie IFP Global Franchise⁴ • van Eyk International Shares Fund⁶ 	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

Changes to insurance

Macquarie has made the strategic decision to transfer part of its life insurance business to Zurich Australia Limited (Zurich). As trustee, MIML reviewed the proposed transfer and had no objections to the transfer.

Following the end of this financial year, the Federal Court of Australia confirmed the transfer on Thursday 22 September. All active insurance policies moved to Zurich on 1 October 2016.

Changes to the Fund's QROPS status

The British Government introduced a number of changes to the United Kingdom (UK) pension legislation effective from 6 April 2015, including:

- restrictions on transfers from certain defined benefit schemes, and
- the introduction of a Pension Age Test that restricts access to member benefits prior to the age of 55 unless a member retires due to ill health.

As a result of these changes, the Macquarie Superannuation Plan ceased to be a Qualifying Recognised Overseas Pension Scheme as at 6 April 2015.

The UK pension scheme regulator, Her Majesty's Revenue and Customs (HMRC) has confirmed to that it will not be pursuing tax charges that arise on individuals who transferred UK tax-relieved pension savings between 6 April 2015 and 1 July 2015 to the Fund.

The Fund's trust deed

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

Significant events

Following the end of this financial year, a significant event notice was issued on 1 October 2016 to members notify them of transfer of insurance from Macquarie Life to Zurich Australia Limited (see *Changes to insurance* above for more information).

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

Ongoing electronic disclosure

On 28 July 2015, the Australian Securities and Investment Commission (ASIC) issued an updated *Regulatory Guide 221 Facilitating online financial services disclosure* (RG221). RG221 enables financial product providers (including superannuation trustees) to more easily provide ongoing disclosure to clients through electronic or digital delivery methods, including by:

- sending the information to an email address the client or their agent has provided to the financial product provider;
- publishing or hosting the information on a website the financial product provider has nominated for that purpose.

As a result of these changes, we may communicate with you by using any email address nominated by you or your financial adviser or by making a communication or other information available to you on the online portal accessible from online.macquarie.com.au or any other relevant website, app or online portal used for Macquarie SuperOptions in the future.

If you would like to update your email address please speak to your adviser or contact us on 1800 801 651. 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 online website 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. A copy of the investment strategies and available investment options can be accessed at macquarie.com.au/yourwrap

Investment option change

The Macquarie Geared Growth investment option was closed to all applications effective 2 May 2016. Members may continue to have an existing holding in the investment option but will no longer be able to make additional applications into the investment option.

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 2016.

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 2017.

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

Accessing your Annual Report

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

Further information

More information about the Fund is available from 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.

Legislative updates

Since the beginning of the 2015–2016 financial year, the following changes affecting superannuation occurred. Some of these changes are subject to passage of legislation through Parliament, as indicated below.

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 and employer contributions. This standard applies to all contributions made by medium to large employers from 1 July 2014, subject to transitional arrangements. For small employers, the standard applied from 1 July 2015 with the Australian Taxation Office (ATO) extending the deadline to 28 October 2016.

Increase to low rate cap

The low rate cap increased from \$185,000 to \$195,000 for the 2015/16 financial year as a result of indexation and remains at \$195,000 for the 2016/17 financial year. The low rate cap limits the amount of taxable component benefits an individual may withdraw from their superannuation 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.

Terminal Medical Condition

Members may be able to access their benefits if they suffer a terminal medical condition.

To withdraw benefits under this condition of release, from 1 July 2015, the member must have a life expectancy of less than 24 months, as determined by two registered medical practitioners, at least one of whom is a specialist.

The life expectancy period has been extended from 12 to 24 months.

Lost member accounts

Legislation to increase the threshold below which superannuation funds are required to transfer small lost accounts to the ATO passed through Parliament. The threshold increased from \$2,000 to \$4,000 from 31 December 2015 and a further increase will occur to \$6,000 from 31 December 2016.

Superannuation objective

The Government released draft legislation to enshrine an objective of the superannuation system in legislation. The primary objective is proposed to be 'to provide income in retirement to substitute or supplement the Age Pension'. Once legislated, future changes to superannuation laws would need to be compatible with this objective.

NSW stamp duty on managed funds abolished

The New South Wales (NSW) Government abolished stamp duty on NSW registered managed funds for transfers that occur on or after 1 July 2016.

2016 Federal Budget superannuation changes

The Government announced a number of changes to the superannuation system in the 2016 Federal Budget. Some of the initial proposals were revised. The following changes have now been legislated and will apply from 1 July 2017:

- reducing the annual concessional contribution limit from \$30,000 (and \$35,000 for those 50 and over in the financial year) to \$25,000
- reducing the annual non-concessional limit from \$180,000 to \$100,000. Individuals with a total superannuation balance of \$1.6 million or more will not be able to make further non-concessional contributions
- introducing a cap of \$1.6 million on the amount that can be transferred into certain tax free pensions
- lowering the income threshold above which individuals will be required to pay an additional 15 per cent tax on certain concessional contributions, from \$300,000 to \$250,000
- introducing a Low Income Superannuation Tax Offset, which will provide a contribution of up to \$500 to offset the tax paid on concessional contributions for individuals with an income of up to \$37,000
- allowing all individuals who make a personal contribution into an eligible superannuation fund to be able claim a deduction
- increasing the spouse income threshold from \$13,800 to \$40,000 for eligibility to the spouse contribution tax offset
- removing the earnings tax exemption for income and capital gains on assets supporting a transition to retirement pension
- removing the 'anti-detriment' payment on lump sum death benefit payments where the member dies on or after 1 July 2017 or if the person died before 1 July 2017, the death benefit is paid on or after 1 July 2019.

In addition, those with superannuation balances of less than \$500,000 will have the ability to access their unused concessional contributions cap on a rolling five year basis from 1 July 2018.

The APRA levy

To fund the costs associated with implementation of the Government's SuperStream reforms, a temporary SuperStream levy has and continues to be 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 February 2017.

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 2015/16 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 (\$1.861 billion)
- in Macquarie Group Limited (\$2.810 billion) including the Macquarie Wrap Solutions Cash Account (\$1.189 billion)
- in Dimensional Funds Australia Limited (\$2.246 billion), and
- in Vanguard Investments Australia Limited (\$1.656 billion).

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

Eligible Rollover Fund (ERF)

The Trustee has elected and 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 Diversa Trustees 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, and
- 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 below address.

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.

Further information

Further information is available from either:

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

Financial statements of the Fund⁷

Income statement for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Superannuation activities		
Investment revenue		
Interest	27,078	32,119
Distributions from unit trusts	546,932	525,036
Dividends	139,912	139,691
Changes in investments measured at fair value	(412,016)	361,833
Total investment revenue	301,906	1,058,679
Total revenue	301,906	1,058,679
Expenses		
Operating expenses	176,054	166,684
Total expenses	176,054	166,684
Net Income from superannuation activities	125,852	891,995
Profit before income tax	125,852	891,995
Income tax benefit	87,749	61,983
Profit after income tax	213,601	953,978

Statement of financial position as at 30 June 2016

	2016 \$'000	2015 \$'000
Assets		
Cash and cash equivalents	521,851	396,229
Investments	14,964,804	14,128,533
Receivables	191,471	160,985
Current tax asset	25,196	31,664
Deferred tax asset	-	-
Total assets	15,703,322	14,717,411
Liabilities		
Trade and other payables	15,355	14,903
Deferred tax liability	11,399	19,238
Total liabilities excluding member benefits	26,754	34,141
Net assets available for member benefits	15,676,568	14,683,270
Allocated to members	15,663,395	14,680,791
Total net assets	13,173	2,479
Equity		
Tax reserve	13,173	2,479
Total equity	13,173	2,479

⁷ This annual report contains abridged financial information for the financial year ended 30 June 2016 for the Fund. The full financial information is available upon request by contacting your adviser or us on 1800 801 651.

Statement of changes in member benefits as at 30 June 2016

	2016 \$'000	2015 \$'000
Opening balance of member benefits	14,683,270	13,069,261
Contributions		
Transfers in from other superannuation plans	1,419,512	1,449,368
Member	650,732	664,133
Employer	283,363	259,779
Government co-contributions	535	547
Income tax on contributions		
Contributions tax	(47,594)	(45,110)
Contributions surcharge tax	(1)	(4)
Contributions net of tax	2,306,547	2,328,713
Transfers out to other superannuation plans	(586,452)	(804,107)
Benefits paid to members	(879,680)	(806,413)
Insurance premiums charged to members' accounts	(77,940)	(69,021)
Death and disability benefits credited to members' accounts	17,222	10,858
Benefits allocated to members' accounts comprising		
Net investment income	301,906	1,058,680
Operating expenses	(176,054)	(166,683)
Income tax benefit	87,749	61,983
Closing balance of member benefits	15,676,568	14,683,270

Contacts

Mailing address

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Brisbane QLD 4000

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Adelaide SA 5000

Western Australia

Level 2, 235 St Georges Terrace
Perth WA 6000

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

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