

# Asgard Super and Pension Account

Annual Report

For the year ending 30 June 2017

**Asgard**

## **ASGARD SUPER/PENSION**

Asgard Managed Profiles and Separately  
Managed Accounts – Funds Super/Pension

Asgard Elements – Super/Pension

Asgard eWRAP – Super/Pension

Asgard Infinity eWRAP Super/Pension

## **ASGARD BUSINESS SUPER**

Asgard Employee Super Account

# Asgard Super and Pension Account

## Annual Report

For the year ending 30 June 2017



### IMPORTANT INFORMATION

This Annual Report is issued by BT Funds Management Limited (BTFM, we, us, our) ABN 63 002 916 458 AFSL 233724, as the Trustee of:

- Asgard Independence Plan – Division 2 (which includes Asgard Managed Profiles and Separately Managed Accounts – Funds Super/Pension, Asgard Elements – Super/Pension, Asgard eWRAP – Super/Pension, Asgard Infinity eWRAP Super/Pension and Asgard Employee Super Account) Fund ABN 90 194 410 365; and

In this report, all the listed products above (Asgard Managed Profiles and Separately Managed Accounts – Funds Super/Pension, Asgard Elements – Super/Pension, Asgard eWRAP – Super/Pension, Asgard Infinity eWRAP Super/Pension and Asgard Employee Super Account) are collectively referred to as 'Asgard Super/Pension'.

Asgard Capital Management Ltd (Asgard) ABN 92 009 279 592 AFSL 240695 is the Administrator and Custodian of Asgard Super/Pension.

The Trustee has not received any notices or penalties for non-compliance during the reporting period and has formally resolved that the accounts will at all times be administered in strict compliance with all applicable acts and regulations.

The investment information or general advice provided in this publication does not take into account your personal objectives, financial situation or needs. Before acting on the information you should consider the appropriateness of the information or advice having regard to these factors. Whether you open or continue to hold an Asgard product or service, you should obtain and consider the relevant Product Disclosure Statement (PDS), available from your financial adviser or our Customer Relations team.

An investment in the super and pension accounts is not a deposit or liability of Westpac or any other company within the Westpac Group. The super and pension accounts and the investments you select are subject to investment risk, including possible delays in repayment and the loss of

income and capital invested. Neither Westpac, nor any other company within the Westpac Group, in any way stands behind or guarantees the capital value and/or the performance of the specific investments you select or the Asgard Super/Pension accounts generally.

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# The year in review

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Dear Investor,

I'm pleased to present you with the Asgard Super and Pension Account Annual Report for the year ending 30 June 2017. This report gives you updates on product and regulatory changes that may affect your Asgard Super/Pension account, as well as abridged financial information and more.

It's been an interesting start to the financial year, with markets navigating largely unknown territory. From the UK Brexit vote to the elections of US president, Donald Trump, and French president, Emmanuel Macron, markets reacted by initially slumping, but later rebounding to record levels.

Interest rates increases, uncertainty around the US government's promised tax cuts and infrastructure spending, plus future unknowns like Brexit may lead to increased volatility during 2018. More positively, we expect markets to continue rising, supported by an overall improving global economy. Higher corporate profitability, central banks stimulating economies at the same time, and optimistic business and consumer confidence are likely to be the major drivers.

No matter which way markets head, we remain focussed on providing you with an array of products and of course, improving our services. In 2017 we:

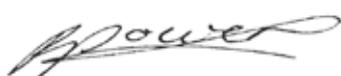
- > added 47 new managed funds to Asgard eWRAP and Asgard Infinity eWRAP, covering a range of investment strategies. There are also 13 new Wholesale Plus Funds and an additional 136 ASX-listed securities approved and now ready to invest in.
- > introduced our new Document Upload facility which saves you time by allowing you to easily, scan and submit your completed paper forms and documents online.

I'm also proud to mention one of the highlights of an award-winning year, was Asgard's Infinity eWRAP Super securing Best Commercial Personal Product at the 2017 Super Fund of the Year Awards. Outstanding features included an extensive investment menu and a seamless transfer from super to pension.

More information can be found in this report or log into Investor *Online* [investoronline.info](http://investoronline.info) to read the articles under Latest news and updates. Meanwhile, if you have any questions about this report or your account, please talk to your financial adviser or give us a call on 1800 998 185.

Thank you for your continued support. I wish you all the very best for a safe and happy festive season and the year ahead.

Yours sincerely,



Kelly Power

Head of Platforms



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# Recent developments in super

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## 2017/18 superannuation thresholds

The superannuation contributions caps and various other superannuation thresholds that apply for the current financial year are as follows:

<b>Concessional contributions cap:</b>	<b>\$25,000</b>
Non-concessional contributions cap:	\$100,000 <sup>1</sup>
<b>Capital Gains Tax (CGT) Cap (lifetime limit):</b>	<b>\$1,445,000</b>
<b>Government co-contributions</b>	
Maximum co-contribution <sup>2</sup>	\$500
Lower threshold	\$36,813
Upper threshold (cut off)	\$51,813
<b>Superannuation Guarantee (SG) rate<sup>3</sup>:</b>	<b>9.5%</b>
<b>Low rate cap</b>	<b>\$200,000</b>

1 If you were under age 65 on 1 July 2017 and satisfy other conditions you may be able to make larger non-concessional contributions over two or three financial years. Once your total super balance has reached \$1.6 million, however, your non-concessional contribution cap will be nil. Your total super balance is assessed as at 30 June of the previous financial year.

2 the maximum co-contribution payable is phased out by 3.333 cents for every dollar of total income over the lower threshold, until it reaches zero at the upper threshold.

3 The SG rate is currently 9.5% where it will remain until 30 June 2021. From 1 July 2021, the SG rate will increase to 10% and thereafter will increase by 0.5% each financial year until it reaches 12% at 1 July 2025.

## Non-concessional contributions cap reduced

From 1 July 2017, the non-concessional contributions cap has reduced to \$100,000 (from \$180,000). If your total super balance is \$1.6 million or more on 30 June of the previous financial year, your non-concessional contributions cap will be nil.

If you were under age 65 on 1 July of a financial year and satisfy other conditions, you may be eligible to utilise bring-forward arrangements to allow you to make larger non-concessional contributions over a two or three year period.

If you were under age 65 on 1 July 2017 and had a total super balance of less than:

- > \$1.4m, you may be able to make non-concessional contributions of up to \$300,000 over a three year period.
- > \$1.5m, you may be able to make non-concessional contributions of up to \$200,000 over a two year period.

If you triggered the bring-forward arrangements in the 2015/16 or 2016/17 financial years and have not contributed your full bring-forward amount before 1 July 2017, transitional arrangements apply to reduce your non-concessional contributions cap. If this applies to you, we recommend you refer to the ATO or seek professional advice to determine your non-concessional contributions cap.

## Concessional contributions cap reduced

From 1 July 2017, the concessional contributions cap has reduced from \$30,000 (or \$35,000 for individuals over age 49) to \$25,000 per financial year, irrespective of age.

From 1 July 2019, if your total super balance is less than \$500,000 on 30 June of the previous financial year, your concessional contributions cap will be increased by the total unused amounts of your concessional contributions cap from the previous 5 years. You commence accumulating unused cap amounts from 1 July 2018.

## Reduced division 293 tax threshold

The threshold for division 293 tax has been reduced from \$300,000 per annum to \$250,000 per annum from 1 July 2017.

If your combined adjusted taxable income<sup>1</sup> and concessional contributions to superannuation (less excess concessional contributions) exceeds the \$250,000 threshold in a financial year, you will have an additional 15% tax imposed on the lesser of:

- > the amount of your combined adjusted taxable income and concessional contributions (excluding excess concessional contributions) above \$250,000, or
- > your concessional contributions less your excess concessional contributions.

<sup>1</sup> Adjusted taxable income is the sum of taxable income, adjusted fringe benefits, target foreign income, total net investment loss, tax-free pension or benefits and reportable superannuation contributions less deductible child maintenance expenditure.

## Transfer balance cap

From 1 July 2017, you can only invest up to your transfer balance cap in superannuation income streams that are in the retirement phase (this generally includes income streams that receive an earnings tax exemption). The transfer balance cap will be set at \$1.6 million for the 2017/18 financial year and will be indexed to CPI each year rounded down to the nearest \$100,000. Amounts in excess of your transfer balance cap will need to be removed from your income stream(s) and may attract additional taxes and charges.

To keep track of your transfer balance cap and the amounts that are added and deducted from your cap, the ATO will create a transfer balance account for you:

- > when you first commence a superannuation income stream that is eligible for an earnings tax exemption on or after 1 July 2017, or
- > on 1 July 2017 if you had one or more existing superannuation income streams that are eligible for an earnings tax exemption.

Modifications to your transfer balance cap may also apply in certain circumstances including where you have made personal injury contributions to superannuation or if you are a child death benefit beneficiary. Special rules also apply to certain types of income streams such as lifetime, term and market-linked income streams. We recommend you refer to the ATO or seek professional advice to determine your transfer balance cap.

## Changes to the tax treatment of Transition to Retirement (TTR) income streams

From 1 July 2017, earnings on your investments within a transition to retirement income stream are taxed at a maximum rate of 15% until you have reached age 65 or notified the trustee that you have satisfied one of the following prescribed conditions of release:

- > retiring after reaching preservation age
- > becoming permanently incapacitated
- > suffering from a terminal medical condition.

You'll no longer be able to maintain your TTR account when you turn 65, or notify us that you've met a prescribed condition of release.

This means, when you turn 65, or we're notified that you have met a prescribed condition of release, we'll move your benefit to a pension account and close your TTR account, unless you tell us otherwise.

Once your benefit has been moved to a pension account:

- > your investment earnings will be exempt from tax,
- > all your details (including your death benefit nomination) will be applied to your pension account, and
- > your account balance will count towards your \$1.6 million transfer balance cap.

## Low Income Super Tax Offset (LISTO)

The Low Income Superannuation Tax Offset (LISTO) is a government superannuation payment that applies in relation to concessional contributions made on or after 1 July 2017.

You may be entitled to receive a LISTO payment of up to \$500 in respect of your concessional contributions made to superannuation in 2017/18 or a later financial year if your adjusted taxable income<sup>1</sup> for the financial year is less than \$37,000. Other conditions apply. For further details refer to the ATO website at [www.ato.gov.au](http://www.ato.gov.au).

Note that Low Income Superannuation Contributions (LISCs) will not be payable in respect of concessional contributions made on or after 1 July 2017. LISC will continue to be paid for eligible individuals until 30 June 2019 in respect of concessional contributions made in financial years 2012/13 to 2016/17 inclusive.

<sup>1</sup> Adjusted taxable income is the sum of taxable income, adjusted fringe benefits, target foreign income, total net investment loss, tax-free pension or benefits and reportable superannuation contributions less deductible child maintenance expenditure.

## Eligibility for Government co-contributions

From 1 July 2017, to be eligible to receive a government co-contribution in respect of personal contributions made to your super, you:

- > must have a total super balance less than the transfer balance cap (\$1.6 million for 2017/18) as at 30 June of the previous financial year, and
- > must not have made contributions above your non-concessional contributions cap for the financial year.

All other existing eligibility criteria remain unchanged. For further details refer to the ATO website at [ato.gov.au](http://ato.gov.au).

## Tax deductions for personal contributions

If you are aged under 75, you may be able to claim an income tax deduction for personal superannuation contributions made on or after 1 July 2017, regardless of your employment status. Previously, this tax deduction was only available to persons who were not employed or who were substantially self-employed.

If you are a member of a Commonwealth public sector superannuation scheme, a constitutionally protected fund (CPF), or certain other funds that offer defined benefit interests, you may not be eligible to claim a deduction for personal contributions you make to these funds.

## Extending the spouse tax offset

From 1 July 2017, the spouse tax offset income threshold has increased to \$37,000 (from \$10,800). You may be able to claim up to the maximum tax offset amount of \$540 for contributions made to your spouse's super fund where your spouse's income is equal to or below this threshold. The tax offset amount you may be entitled to will gradually reduce for income above this threshold and completely phases out when your spouse's income reaches \$40,000 (from \$13,800).

In addition, from 1 July 2017, you will not be entitled to the tax offset if your spouse:

- > exceeds their non-concessional contribution cap for the relevant financial year, or
- > has a total superannuation balance equal to or greater than the transfer balance cap (\$1.6 million for 2017/18) as at 30 June of the previous financial year.

All other existing eligibility criteria remain unchanged. For further details refer to the ATO website at [ato.gov.au](http://ato.gov.au).

## Removal of anti-detriment payments

Anti-detriment payments are now only payable in respect of certain death benefit payments where the member died before 1 July 2017 and the payment is made by 30 June 2019.

An anti-detriment payment is an increased amount that is payable when a death benefit payment is paid as a lump sum to a person who is a spouse, former spouse or child of the member. An anti-detriment payment represents a refund of contributions tax paid on all contributions made to the fund by the member since joining the fund.

## Superannuation death benefit payments can be rolled over

From 1 July 2017, eligible beneficiaries are able to transfer superannuation death benefits or death benefit income streams to another provider to commence a death benefit income stream, however cannot combine this benefit with other superannuation monies.

Eligible beneficiaries include your spouse or former spouse, your children under 18, a person who was wholly or substantially financially dependent on you at the time of your death and a person with whom you were in an interdependency relationship at the time of your death.

## Tax on Departing Australia Superannuation Payments

From 1 July 2017, tax will be withheld at a rate of 65% from the taxable component of a Departing Australia Superannuation Payment (DASP) paid to a departed temporary resident who held a working holiday maker visa and received superannuation contributions while they held the visa. Existing tax treatment continues to apply to all other DASPs. Refer to the ATO website at [ato.gov.au](http://ato.gov.au) for further details.

## Proposed changes to superannuation

The Federal Government announced a number of changes to superannuation in the 2017 Federal Budget. The proposed changes, as described below, are not yet law and are subject to change.

### Medicare Levy increase

From 1 July 2019, the Medicare Levy is proposed to increase to 2.5% (from 2%) to ensure that the National Disability Insurance Scheme is fully funded. The increased Medicare Levy will impact the tax withheld from some payments you receive from your pension and super accounts as outlined below.

### Income payments

For the 2017/18 financial year, the tax payable on income payments you receive from your pension will no longer include the Temporary Budget Repair (TBR) Levy where applicable.

### Lump sum payments

Tax withheld from lump sum payments you, or your non-dependant (tax) beneficiaries<sup>1</sup>, receive from your pension or super account will not include the TBR Levy.

From 1 July 2017, if you are eligible to access your superannuation as a lump sum, the tax we are required to withhold will depend on your age and the tax components within your benefit, as shown in the table below.

Age	Tax withheld on the Taxable component	Tax withheld on the Tax-free component
Under preservation age <sup>2</sup>	A rate of 22% (including the Medicare Levy)	Nil
Preservation age <sup>2</sup> to 59	Up to \$200,000 <sup>3</sup> : Nil Above \$200,000 <sup>3</sup> : a rate of 17% (including the Medicare Levy)	Nil
60 or over	Tax-free	Nil

Death benefits paid on or after 1 July 2017 as a lump sum to a non-dependant for tax purposes<sup>1</sup> will have tax withheld in the following manner:

Component	Tax withheld
Tax-free	Nil
Taxable (taxed element)	Taxed at 17% (including the Medicare Levy)
Taxable (untaxed element)	Taxed at 32% (including the Medicare Levy)

1 Death benefits paid as a lump sum to your dependants (for tax purposes) are tax free. A dependant for tax purposes includes your spouse or former spouse, your children under 18, a person who was wholly or substantially financially dependent on you at the time of your death and a person with whom you were in an interdependency relationship at the time of your death.

2 Your preservation age is between 55 and 60 depending on your date of birth.

3 This is the low rate cap which provides a lifetime limit of \$200,000 for 2017/18, indexed to AWOTE rounded down to the nearest \$5,000 in subsequent years.

### First Home Super Saver Scheme

From 1 July 2018, individuals will be able to apply to the Australian Taxation Office (ATO) to withdraw voluntary contributions made to superannuation on or after 1 July 2017 for the purposes of purchasing a first home.

Voluntary contributions include salary sacrifice contributions made with before tax money and personal contributions made with after tax money. These voluntary contributions must be made within your contribution caps.

Up to \$15,000 of voluntary contributions made in a financial year count towards the amount that can be released. The maximum amount that can be released is \$30,000 of personal contributions plus an associated deemed earnings amount.

Concessional (before tax) contributions and earnings that are withdrawn will be taxed at marginal tax rates, less a 30% tax offset.

### Downsizer contributions

From 1 July 2018, if you are age 65 or over and satisfy other eligibility conditions, you will be able to contribute up to \$300,000 to superannuation from the proceeds of the sale of your main residence.

The main residence must have been owned by you or your spouse for at least 10 years prior to disposal on or after 1 July 2018 and you cannot have made contributions from an earlier disposal of a main residence. Other eligibility conditions will apply.

Once you are satisfied that a contribution qualifies under the rules, the contribution must be made within 90 days of the disposal of your main residence. You will need to notify your superannuation provider that the contribution is a downsizer contribution at the time of making the contribution.

Qualifying downsizer contributions will be exempt from the contributions caps.

You will need to seek professional advice about whether your contributions qualify under these rules.



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# Asgard Super and Pension changes

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## New funds on Asgard eWRAP and Asgard Infinity eWRAP

Over the 2016/2017 financial year, 47 new managed funds were added to Asgard eWRAP and Asgard Infinity eWRAP, covering a range of investment strategies. There are also 13 new Wholesale Plus Funds bringing the total number to 45 now available.

In addition to this, 136 ASX-listed securities were approved for Super/Pension members, with over 650 now ready to invest in.

To find out more about these investment options or Asgard eWRAP and Infinity eWRAP, please speak to your adviser or call us on 1800 731 812.

## Asgard Employee Super Account and Asgard Personal Protection Package

### Our new insurance partner

Over the last 18 months, we've been through an extensive process to select an insurance partner for your Asgard Employee Super Account (AESA) and Asgard Personal Protection Package (APPP). We're pleased to advise that Westpac Life Insurance Services Limited has been appointed as the new insurer, effective 1 January 2018.

Westpac Life Insurance Services Limited has a track record of providing leading service to customers. This means that you will have the same comprehensive insurance that is available now, plus the support and care of the new insurer if something unexpected were to happen.

### Insurance terms and conditions changes

In addition to the change of insurer, we are also enhancing the terms and conditions of insurance in your AESA and APPP from 1 January 2018.

**A summary of changes to the insurance terms and conditions can be found below.**

Insurance terms	Summary of change
Terminal Illness	Your ability to claim in the case of a terminal illness will be enhanced by increasing the certification period from 12 months to 24 months.
Interim Accident and Sickness Cover	Interim Accident Cover for members will be enhanced to include Sickness. The change to Interim Accident and Sickness Cover will expand the reach of your cover. This change only applies to members while their application for underwritten cover is being assessed.

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**A summary of changes to the insurance terms and conditions can be found below.**

Insurance terms	Summary of change
Trauma (Asgard Personal Protection Package - Standalone only)	If you have Trauma cover, some definitions are being enhanced, and cover extended to include additional conditions. A number of trauma benefits which currently pay a partial benefit will be paid a full benefit (100% of sum insured) from 1 January 2018.  Note: The new insurer will not accept claims under the new definitions for a medical condition that became apparent before 1 January 2018. You will still have access to your existing cover in that event.
Income Protection – Crisis Benefit (Asgard Personal Protection Package - Standalone only)	If you have Income Protection cover, there are some enhancements to the definitions under the Crisis Benefit.  Note: The new insurer will not accept claims under the enhanced definitions for a medical condition that became apparent before 1 January 2018. You will still have access to your existing cover in that event.

The definitions for Terminal Illness and Interim Accident and Sickness cover, and the Trauma and Income Protection enhancements (each effective on 1 January 2018) will be available on Investor *Online* from 1 December 2017.

For a more detailed listing of the changes, for Asgard Employee Super members, please refer to the additional Information Booklet Part 3 – Insurance (at 30 September 2017), on [asgard.com.au](http://asgard.com.au).

## New Document Upload facility

While your adviser usually co-ordinates changes to your account, we know there are times when you need to send us paper forms and documents. Through Investor *Online*, our new Document Upload facility allows you to easily, scan and submit your completed paper forms and documents online.

You can:

- > upload an electronic copy of your completed paper forms to change your account information. When you scan and submit your forms, we don't need the originals posted or sent by email or fax. You keep the originals on our behalf.
- > securely submit your paper forms to us for processing. As you need to log into Investor *Online* first, we can immediately identify you and authenticate your requests. This cuts down the identification procedures, helping us to process your requests faster.

To access Document Upload from the Investor *Online* home page, go to the Forms menu, click Document Upload then follow the prompts. If you hold more than one account, make sure you select the one relevant to the documents you're sending.

## Asgard Employee Super Account

### Accrued Default Amounts (ADA)

In 2013, the government introduced the MySuper initiative to provide a simple, low cost option for members who don't make an investment choice. Super funds like ours now offer MySuper as the preselected option for these members.

From 1 January 2014, for members that hadn't made an investment choice, we created a MySuper account on their behalf and any contributions and rollovers since this date, were contributed to this account and invested in the Asgard MySuper Lifestage Investment.

This was in addition to their original account which continued to hold their preselected option.

In May 2016, we merged these two accounts together into the MySuper account and this was invested in the Asgard MySuper Lifestage Investment.

### Asgard MySuper

In April 2017, we removed the requirement for a cash balance so an Asgard MySuper member's balance is fully invested in the Asgard MySuper Lifestage Investment.

To implement these changes, we updated the investment structure for the Asgard MySuper Lifestage Investment to a 'pooled superannuation trust' where investment earnings and tax on these earnings are reflected in the value of the investment option. Members continue to be invested in the Asgard MySuper Lifestage Investment for the decade of their birth (eg 1940s).

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# Understanding your investment

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## Asgard Infinity eWRAP

Asgard Infinity eWRAP offers a fully customisable eWRAP account that allows you to wrap all of your super/pension investments (managed investments, shares, term deposits and cash) and insurance (super only) into one account.

You have the flexibility to add (or remove) optional features to your Core account as your needs change, and you only pay for the features you need. Asgard Infinity eWRAP consolidates all transaction reporting to provide you with continuous, online access to account information via Investor *Online* 24 hours a day, 7 days a week.

## Asgard eWRAP

Asgard eWRAP enables you to wrap all your superannuation investments into the one simple superannuation or pension account. You get access to our extensive range of wholesale managed investments, term deposits, a wide range of shares listed on the Australian Securities Exchange (ASX) and a competitive cash account with no account-keeping or transaction fees.

## Asgard Managed Profiles and Separately Managed Accounts – Funds

Depending on the investment option you select, Managed Profiles or Separately Managed Accounts, you have access to a wide range of managed investments and shares.

Managed Profiles allows you to design your own investment profile by providing you access to a wide range of wholesale managed investments, term deposits, broad range of securities listed on the ASX and cash.

Separately Managed Accounts – Funds (SMA – Funds) offers you a selection of five pre-set portfolios of managed investments. The five portfolios are tailored to meet specific risk tolerance levels, depending on whether you're a cautious investor or whether you're willing to take greater risks for a higher return on your money. Your investments in the SMA – Funds are directly invested into the equivalent Advance Diversified Multi-blend fund.

The investment objectives and strategies of the SMA – Funds portfolios are summarised in the following table.

## SMA – Funds objectives and strategy

Asgard SMA – Funds portfolio	Investment objectives	Strategy
Defensive	To provide secure income (before fees and taxes) with a low risk of capital loss over the short to medium term with some capital growth over the long term.	The Fund invests in a diverse mix of assets with a majority (about 70%) in the defensive assets of cash and fixed income, and a modest investment (about 30%) in growth assets such as shares. The Fund's exposure to these asset classes will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.
Moderate	To provide relatively stable total returns (before fees and taxes) over the short to medium term, with some capital growth over the long term through a diversified mix of growth and defensive assets.	The Fund invests in a mix of defensive assets (around 50%) such as cash and fixed interest and growth assets (around 50%) such as shares and property. The Fund's exposure to these asset classes will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.
Balanced	To provide moderate to high total returns (before fees and taxes) over the medium term from a combination of capital growth and income through a diversified mix of growth and defensive assets.	The Fund invests in a diverse mix of assets with both income-producing assets (around 30%) of cash and fixed interest, and growth assets (around 70%) including shares and property. The Fund's exposure to these asset classes will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.
Growth	To provide moderate to high total returns (before fees and taxes) over the medium to long term largely through capital growth by investing in a mix of growth and defensive assets.	The Fund invests in a diverse mix of assets with an emphasis (about 85%) on the growth oriented assets of Australian and international shares, and investment (about 15%) in the defensive assets of cash and fixed interest providing some income and stability of returns. The Fund's exposure to these asset classes will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.
High Growth	To provide superior total returns (before fees and taxes) over the long term through capital growth by investing primarily in growth assets.	The Fund invests primarily in growth assets such as Australian and international shares and property. The Fund's exposure to these asset classes will be obtained primarily by investing into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.

## Asgard Elements

Asgard Elements offers you the opportunity to invest with some of the most recognised investment brands in the industry at a low cost. The Elements investment menu provides investors with a smaller, concentrated menu of diversified and sector specific multi-blend options (known as multi-manager funds) and a range of discretionary investments (known as single-manager funds) that have been selected against rigorous criteria to ensure they're of the highest quality.

## Asgard Employee Super Account

The Asgard Employee Super Account provides comprehensive superannuation and insurance solutions as your employer's chosen plan. Employees, their spouses and families can access a broad investment menu.

On joining Asgard Employee Super, employees, will automatically be invested in an actively managed Asgard MySuper Lifestage Investment applicable for their year of birth. The MySuper Lifestage Investment offers members a diversified investment portfolio managed according to their age and lifestage.

Employees, their spouses and family members can also change their investment selection at any time, and alternatively, select the Asgard SMA – Funds investment option, or Managed Profiles investment option, which provides over 400 managed investments and a range of securities listed on the ASX to choose from.

### Taking your super with you

If you leave your employer, you and your spouse and family members associated with your account will become 'Personal' members within Asgard Employee Super. By becoming a 'Personal' member, you keep:

- > the same member number
- > your financial adviser (if you have one)
- > your existing investment options
- > your beneficiary nominations
- > 24/7 secure online access via Investor *Online*
- > access to our Benefits Now program.

You can take your Asgard Employee Super Account with you to your new employer by completing a Choice Form available at [asgard.com.au](http://asgard.com.au) > Products & Services >

Asgard Employee Super > Changing jobs > Taking Asgard Employee Super with you.

## Combining your super

One of the biggest advantages of combining your super accounts is the potential savings in fees. If you're paying fees on multiple accounts, you can reduce the amount of fees you pay by reducing the number of super funds you have.

Another advantage of consolidating your super is less paperwork. Having one super account means you only have one set of paperwork to manage. This could make it easier to keep on top of your super and understanding exactly how it is performing.

With Asgard, consolidating your super is easy. If you have multiple super funds and would like to consolidate now, login to Investor *Online* and select the Combine your super tab today.

## Contributing to your super via the BPAY® payment facility

BPAY® is a quick and easy way for you to make deposits directly into your Asgard account. All you need is your customer reference number and the relevant Biller Code.

Depending on what type of contribution you're making, there are different Biller Codes that apply when using BPAY®.

Contribution type	Biller code
Personal deducted contributions	66043
Personal undeducted contributions	66050
Salary sacrifice contributions	66027
Employer super guarantee (SG) contributions	66019
Spouse contributions	66068

® Registered to BPAY Pty Ltd ABN 69 079 137 518  
Note: by using a Biller Code to make a BPAY deposit, you acknowledge that you've received underlying disclosure document for the managed investments and cash products in your account (including information about significant events or matters affecting them) electronically on Investor *Online*. You can access these documents via the 'PDS' menu option on the Investor *Online* homepage.

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# Performance information

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## Performance as at 30 June 2017

For actual performance of your Asgard Super/Pension account, please refer to your Investor Report for the period ending 30 June 2017 which was issued to you in July.

For more recent performance information, you can access Investment Monthly performance tables on Investor *Online* [investoronline.info](http://investoronline.info) under Information > Performance tables.



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# Investment information

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## Investment choice

Through Asgard, you have access to an extensive range of investment options, such as managed investments, shares and a competitive cash offering. For the list of investment choices available for each product, please refer to the relevant Product Disclosure Statement (PDS) available through Investor *Online* or speak to your financial adviser. Alternatively, you can call us on 1800 998 185.

## Investment strategy and objectives

When selecting a managed investment, we take into consideration the quality of the investment manager's business, stability of its investment team, past performance and investment management process before selecting investment options.

We do not take into account labour standards or environmental, social or ethical considerations in selecting, retaining or realising investments. However, the various investment managers of the managed investments available may have their own policy on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions.

For further information on a specific managed investment held in your account, including its investment strategy, objectives and asset allocation, please refer to the underlying disclosure document for that investment option, accessible through Investor *Online*. You may also obtain a copy of these disclosure documents free of charge from your financial adviser or us.

## Asset allocations

We provide you with detailed information on the asset allocations of the investments in the accounts. You can access the Investment Monthly asset allocation tables as at 30 June 2017 via Investor *Online* under Information > Performance tables.

## Earnings paid to your account

Earnings, in the form of capital growth, income distributions or dividends, received from your investments are credited to your account. Your investment earnings will depend on the performance of the investments you choose and the amount of money invested in each.

All gains and losses are reflected through changes in the value of your investments.

## Investment managers

The investment options we offer are managed by the following investment managers:

Aberdeen Asset Management Limited	LM Investment Management Ltd
Acadian Asset Management	Macquarie Investment Management Limited
Advance Asset Management Limited	Macquarie Professional Series
Allan Gray Australia Pty Ltd	Magellan Asset Management
AllianceBernstein Investment Management Australia	Man Investments Australia Ltd
AMP Capital Investors	Maple-Brown Abbott Limited
Antares Capital Partners Limited	MBA Limited
Antipodes Partners Limited	Mecu Ltd trading as Bank Australia
APN Funds Management Limited	MFS Investment Management
AQR Capital Management LLC	Montgomery Investment Management Pty Ltd
Armytage Wholesale Funds Management Ltd	Morningstar Investment Management Australia Ltd
Ascalon Capital Managers Limited	Mosaic Portfolio Advisers Limited
Atrium Investment Management Pty Ltd	Mutual Limited
Aurora Funds Management Limited	NAB Invest Managed Investments Limited
Ausbil Investment Management Limited	National Custodian Services (MLC)
Australian Ethical Investment Ltd	Nikko AM Limited
Australian Unity Funds Management	OC Funds Management
AXA Australia Limited	OnePath Funds Management Limited
AXA Investment Managers Asia (Singapore) Ltd	OneVue Re Services Ltd
Bennelong Funds Management Ltd	OptiMix Investment Management Limited
BlackRock Im Aust Ltd (Barclays)	Orbis Investment Management Limited
BlackRock Investment Management (Australia) Ltd	Pan-Tribal Asset Management Pty Ltd
BNP Paribas Asset Management Australia Limited	Paradise Investment Management Pty Ltd
Brookfield Capital Management Ltd	Partners Group
BT Funds Management Ltd	Pengana Capital Limited
BT Investment Management (Fund Services) Limited	Perennial Investment Partners Limited
BT Investment Solutions	Perpetual Funds Management Limited
Celeste Funds Management Limited	Peters Macgregor Capital Management Ltd
Challenger Retirement & Investment Services Ltd	PIMCO Investor Services
Charter Hall Direct Property Management Ltd	Pinnacle Fund Services Limited
Colonial First State Fund Managers Limited	Platinum Asset Management
Cromwell Property Securities Ltd	Plato Investment Management
Dimensional Fund Advisor Aust Ltd	Platypus Asset Management Pty Limited
DNR Capital Pty Ltd	PM Capital Limited
Eley Griffiths Group Pty Ltd	Prime Value Asset Management Ltd
Ellerston Capital Limited	Principal Global Investors (Australia) Ltd
EQT Funds Management	Pyrford International Ltd
Fidante Partners Limited	Queensland Teachers Mutual Bank Ltd
Fiducian Portfolio Services Limited	RARE Infrastructure
FIL Investment Management (Australia) Limited	Resolution Capital Ltd
Folkestone Maxim Asset Management Ltd	Robeco
Franklin Templeton Investments Australia Ltd	Rubicon Partners Limited

Freehold Investment Management	Russell Investment Management Ltd
GMO Australia	Schroder Investment Management (Australasia) Ltd
Grant Samuel Fund Services Limited	Select Asset Management (BNP Paribas)
Hunter Hall Investment Management Limited	Smarter Money Investments Pty Ltd
Hyperion Asset Management	Solaris Investment Management
Invesco Asset Management Australia Ltd	St George Bank – Treasury Dept
Investors Mutual Asset Management	Standard Life Investments
ipac asset management limited	State Street Global Advisors Aust Ltd
Ironbark Asset Management (Funds Services) Ltd	T. Rowe Price Global Investment Services Ltd
Jamieson Coote Asset Management Pty Ltd	Tankstream Funds Management Limited
Janus Henderson Australia	Tribeca Investment Partners Pty Ltd
JP Morgan Asset Management (Australia) Limited	UBS Asset Management Ltd (NLS)
K2 Asset Management Ltd	Van Eyk Research Limited
Lazard Asset Management Pacific Co	Vanguard Investments Australia Ltd
Legg Mason Asset Management Australia Ltd	Ventura Investment Management Ltd
	Watermark Funds Management
	Westpac Financial Services Ltd WSP
	Yarra Funds Management Limited
	Zurich Investment Management Ltd

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# Investments exceeding 5%

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The following investments exceeded more than 5% of the accounts' total assets at 30 June 2017:

Asgard Independence Plan – Division 2			
Direct asset	%	Indirect asset	%
BT Institutional Conservative Outlook PST	10	BT Multi-manager Accumulator Fund	8
Westpac Term Deposits	9	Australian Shares Multi-Blend Fund	6
Advance Balanced Multi-blend Fund	6		
Westpac Trading Cash Account	6		



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# Other important information

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## Always speak to your financial adviser

The information in this report is general information only and does not take into account your individual objectives, financial situation or needs. Consequently, before acting on the information, you should consider whether it is appropriate for you in light of your objectives, financial situation or needs.

To obtain advice or more information about Asgard Super/Pension or the investments offered through Asgard Super/Pension, you should speak to your financial adviser.

## Use of derivative financial instruments

Our super accounts are not directly exposed to, or involved in, the use of derivative financial instruments. However, some of the accounts' underlying investments are in externally managed investments. These may, as part of that investment manager's strategy, be involved in derivative financial instruments to hedge or partially hedge specific exposures. The investment strategy of our super accounts is not to enter, hold or issue derivative financial instruments for trading purposes.

## Do we have your tax file number (TFN)?

If your TFN hasn't been provided to us by 30 June of a financial year, we may be required to deduct additional tax, at a rate of 34% (includes Medicare Levy and Temporary Budget Repair Levy), from any employer contributions made to your account during that financial year. This additional tax, commonly referred to as 'No-TFN tax', may have been deducted from employer contributions made to your account since 1 July 2007. It's important to note the rate of 34% applied for the 2016/17 financial year. However for the 2017/18 financial year, due to the removal of the temporary budget repair levy, a rate of 32% will apply if your TFN isn't provided to us.

You're not required to supply your TFN to us, however if you do provide your TFN to us before 30 June 2018:

- > you won't have additional tax deducted from employer contributions made to your account during the 2017/18 financial year, and
- > you may be eligible for a refund of any additional tax that may have been paid on employer contributions made to your account in the last three financial years (2014/15, 2015/16 and 2017/18).

## Refund of contributions tax as an anti-detriment payment

As explained in the Recent Developments in Super section, from 1 July 2017, anti-detriment payments now only apply to member who died before 1 July 2017 and the payment is made by 30 June 2019.

An 'anti-detriment' payment represents a refund of contributions tax paid on all contributions made to the fund by the member since they joined.

This increased amount known as an 'anti-detriment' payment, is payable when a death benefit payment is made to a beneficiary who is a spouse, former spouse or child of the member. Note that an 'anti-detriment' payment cannot be paid if the death benefit is paid as a pension.

### Service fee

The Administrator may receive a service fee of up to 1.1% p.a. (including GST) from Westpac (including St.George) and/or other providers of cash products. This fee may be received on some or all of the cash products held through your account and is for the introduction of your banking business and for performing client service activities and transaction reporting. This service fee is calculated as a percentage of the daily balance of the relevant cash products. It is not an additional charge to you.

The Administrator may rebate some of the service fee we receive back to you to reduce the cost of running your account. Where this occurs you will see a transaction in your account titled 'Cash Service Fee Rebate'.

### Closed accounts

If you close your Super or Pension account and amounts less than \$50 are subsequently credited to your closed account, we'll apply this money for the general benefit of all current investors of the fund rather than your closed account.

### Eligible Rollover Fund – Superannuation accounts only

SuperTrace Eligible Rollover Fund (ABN 73 703 878 235) (SuperTrace) is currently our nominated Eligible Rollover Fund. We may transfer your benefits to SuperTrace if the value of your account is less than \$2,000 and we are not obliged to forward your balance to the ATO under the unclaimed money laws.

If your benefits are transferred into SuperTrace:

- > you will no longer be a member of the Fund and any insurance cover you may have held through us will cease on the date of transfer
- > no further contributions may be made to your account
- > you will not be able to make contributions to SuperTrace
- > you will not have any investment choice – the trustee of SuperTrace will nominate the investment strategy that will apply, and
- > the trustee of SuperTrace must ensure that all benefits are subject to its governing rules and the superannuation law, irrespective of the size of the benefit.

Refer to the SuperTrace product disclosure statement for more information on SuperTrace which you should receive shortly after the time that your benefits are transferred.

### For further information contact:

SuperTrace Eligible Rollover Fund  
Locked Bag 5429  
Parramatta NSW 2124  
Telephone: 1300 788 750

## Policy committees (only applicable to Asgard Employee Super Account)

Employers with 50 or more employer sponsored members in a superannuation plan have an obligation to establish a policy committee. Employers with fewer employees may establish a committee but are not obliged to do so.

The policy committee serves as an avenue for sponsored members to enquire about the operation or management of their plan. While there's an obligation to establish the committee, if the committee decides that it serves no purpose, then it may resolve to dissolve itself at its convenience. It may be re-established in the future if requested by at least five employees.

If you're interested in finding out more about your policy committee, you should ask your employer for details. Your employer should be able to advise you of the committee members and how each member was appointed.

## Professional indemnity insurance

We're currently covered by a professional indemnity insurance policy.

## Temporary residents

A temporary resident is a holder of a temporary visa under the Migration Act 1958.

From 1 April 2009, if you are, or were, a temporary resident and are not an Australian citizen, New Zealand citizen or permanent resident of Australia, or a holder of a retirement visa (Subclass 405 or 410), you can generally only access your preserved super benefits if you become permanently incapacitated, have a terminal medical condition, or have departed Australia permanently and your visa has ceased, or your beneficiaries may access your benefits if you die. You may also be able to access your benefit if you satisfied another condition of release under superannuation law before 1 April 2009.

The Australian Government also requires us to pay temporary residents' unclaimed super to the ATO after at least six months have passed since the later of:

- > the date a temporary resident's visa ceased to be in effect, and
- > the date a temporary resident permanently left Australia.

Applications to claim your benefit can be made using the ATO Departing Australia Superannuation Payment (DASP) online application system. To access this system and full information regarding DASP procedures and current tax rates visit [ato.gov.au](http://ato.gov.au).

We are permitted under, and rely on, ASIC relief under Class Order CO 09/437 to not notify or provide an exit statement to a non-resident in circumstances where we pay unclaimed superannuation to the ATO under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members) Act 1999.

## Financial information

As permitted under the Corporations Act, audited fund accounts and the auditor's report have not been included with this Annual Report. Copies of complete audited financial statements and the auditor's report will be available from

Asgard  
PO Box 7490  
Cloisters Square WA 6850

or by calling 1800 998 185.

## Enquiries and complaints

If you'd like further financial information that's not included in this Annual Report, including information about fees and charges and other effects arising from a rollover or transfer of your benefit entitlements, we're happy to provide it on request.

If you have any enquiries or complaints about the operation or management of Asgard Super/Pension accounts, please contact us on:

### Telephone:

1800 998 185

### Visit:

[asgard.com.au/contact](http://asgard.com.au/contact) to send us your query.

### Or write to:

Asgard  
PO Box 7490  
Cloisters Square WA 6850

If you've made a complaint to us about a decision which affects you, and your complaint has not been resolved to your satisfaction, you have a right to lodge a complaint about the decision with the Superannuation Complaints Tribunal (SCT).

The Tribunal is a body established by the Commonwealth Government to review trustee decisions relating to members (as opposed to trustee decisions relating to the management of the fund as a whole). The contact details for the SCT are:

Superannuation Complaints Tribunal  
Locked Bag 3060  
GPO Melbourne VIC 3001

### Telephone

1300 884 114

# Financial information

As permitted under the Corporation Act, abridged financial information of the fund is included in this annual report. You can request a copy of the audited financial statements and auditor's report at any time by contacting us on 1800 998 185.

## Asgard Independence Plan – Division 2 Income statement for the year ended 30 June 2017

	2017	2016
	\$'000	\$'000
<b>Superannuation activities</b>		
Interest income	65,445	76,925
Dividend income	54,146	55,406
Distribution income	1,710,728	916,780
Net changes in the fair value of investments	(49,840)	(620,321)
Other income	25,217	26,978
<b>Total net income</b>	<b>1,805,696</b>	<b>455,768</b>
Trustee's fees and administration expenses	146,034	152,867
Cash administration and custody fees	25,507	25,654
Other expenses	17,931	16,408
<b>Total expenses</b>	<b>189,472</b>	<b>194,929</b>
<b>Profit/(loss) from superannuation activities before income tax</b>	<b>1,616,224</b>	<b>260,839</b>
Income tax expense/(benefit)	44,800	(104,694)
<b>Profit/(loss) from superannuation activities after income tax</b>	<b>1,571,424</b>	<b>365,533</b>
<b>Less: net benefits allocated to defined contribution members' accounts</b>	<b>(1,571,424)</b>	<b>(365,533)</b>
<b>Profit/(loss) after income tax</b>	<b>-</b>	<b>-</b>

Asgard Independence Plan – Division 2  
Statement of financial position as at 30 June 2017

	2017	2016
	\$'000	\$'000
<b>Assets</b>		
Cash and cash equivalents	1,263,191	912,605
Unsettled sales	61,028	56,191
Accrued income	16,661	18,349
Receivables	2,010	2,068
Investments	21,094,292	20,322,579
<b>Total assets</b>	<b>22,437,182</b>	<b>21,311,792</b>
<b>Liabilities</b>		
Unsettled purchases	2,624	2,660
Payables	53,280	53,597
Income tax payable	82,980	4,934
Deferred tax liabilities	39,317	2,519
<b>Total liabilities (excluding member benefits)</b>	<b>178,201</b>	<b>63,710</b>
<b>Net assets available for member benefits</b>	<b>22,258,981</b>	<b>21,248,082</b>
<b>Members benefits</b>	<b>22,258,981</b>	<b>21,248,082</b>
<b>Total net assets</b>	<b>-</b>	<b>-</b>

## Asgard Independence Plan – Division 2

### Statement of changes in member benefits for the year ended 30 June 2017

	2017	2016
	\$'000	\$'000
<b>Opening balance of member benefits</b>	<b>21,248,082</b>	<b>20,933,327</b>
Employer contributions	649,629	646,178
Member contributions	786,068	603,258
Transfers from other funds	1,155,666	1,235,395
Transfers from other funds – successor fund transfer	23,593	-
Superannuation co-contributions	1,028	1,117
<b>Total contributions</b>	<b>2,615,984</b>	<b>2,485,948</b>
Benefit payments	(2,924,301)	(2,272,839)
Insurance premiums charged to members' accounts	(99,126)	(94,008)
Insurance benefits credited to members' accounts	65,568	40,222
Adviser fees	(131,396)	(130,058)
Income tax on net contributions	(87,254)	(87,727)
Net benefits allocated to members' accounts, comprising:		
Net benefits allocated to defined contribution members' accounts	1,571,424	365,533
Transfer from reserve	-	7,684
<b>Closing balance of member benefits</b>	<b>22,258,981</b>	<b>21,248,082</b>

## Asgard Independence Plan – Division 2

### Statement of changes in equity for the year ended 30 June 2017

	Unallocated benefits
	\$'000
For the year ended 30 June 2017	
Opening balance as at 1 July 2016	-
Net transfer to/(from) reserves	-
Closing balance as at 30 June 2017	-
For the year ended 30 June 2016	
Opening balance as at 1 July 2015	7,684
Net transfer to/(from) reserves	(7,684)
Closing balance as at 30 June 2016	-

## For more information



[asgard.com.au](https://asgard.com.au)



1800 998 185



PO Box 7490 Perth WA 6850



Speak to your financial adviser today

ISSUED BY  
BT Funds Management Limited  
ABN 63 002 916 458  
AFSL 233724