

Asgard Super and Pension Account

Annual Report

For the year ending 30 June 2018

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 2018



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 the 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.

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

Dear Investor

I'm pleased to present you with the Asgard Super and Pension Account Annual Report for the year ending 30 June 2018. This report gives you an update on product and regulatory changes that may affect your Asgard Super/Pension account, abridged financial information and more.

A strong 2017 calendar year performance in markets was replaced by uncertainty as the 2018 financial year closed. At the same time, signs of coordinated global growth, led by impressive performance from the US, Europe and Japan acted to guard against trade tensions and political surprises.

With geopolitical issues creating nervousness, focus should be on the positive fundamentals underpinning the world's economies. Our longer term views are that Australian equities remain attractive given benefits of continued strength in the economy, along with international equities and emerging markets, helped by strong company profits and low borrowing costs. We're conscious the US is facing headwinds as the Federal Reserve contracts its balance sheet and seeks to raise interest rates, placing more upward pressure on inflation and testing markets.

In 2018 we continued to deliver product and service enhancements for you such as:

- > launching the new Asgard retirement income calculator to help you plan for retirement
- > introducing an insurance Certificate of Currency online facility for easy access
- > adding even more managed funds and ASX-listed securities to Asgard eWRAP and Infinity eWRAP.

We're proud to also have achieved a 2018/19 Top Ten Pension Product classification by The Heron Partnership for Asgard eWRAP and Infinity eWRAP Pension, plus 5 Heron Quality Stars for Asgard eWRAP and Infinity eWRAP Super.

You can find more information in this report or log into Investor *Online* at <https://investoronline.info> to read articles under Latest news and updates. If you have any questions about the report or your account, please contact your financial adviser or call us 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



Dina Kotsopoulos
Head of Platforms Product Management



Recent developments in super

2018/19 superannuation thresholds

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

Concessional contributions cap	\$25,000
Non-concessional contributions cap	\$100,000 ¹
Capital Gains Tax (CGT) Cap (lifetime limit)	\$1,480,000
Government co-contributions	
Maximum co-contribution ²	\$500
Lower threshold	\$37,697
Upper threshold (cut off)	\$52,697
Superannuation Guarantee (SG) rate³	9.5%
Low rate cap	\$205,000

- 1 If you were under age 65 on 1 July 2018 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.

Catch-up concessional contributions

From 1 July 2018, if an eligible individual contributes less than the concessional contribution cap, the un-used amount may be carried forward for up to five years. This allows additional pre-tax contributions that would have otherwise exceeded the cap.

To be eligible, an individual's total super balance as at 30 June of the previous financial year must be less than \$500,000. For individuals with multiple super accounts, the total of all accounts combined must be less than \$500,000. For more information go to www.ato.gov.au.

First Home Super Saver Scheme (FHSSS)

From 1 July 2018, individuals are 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.

Voluntary contributions that are accessible under the FHSSS are capped at \$15,000 per financial year. The maximum amount that can be released is \$30,000 of personal contributions plus an associated deemed earnings amount.

Withholding tax is only charged against eligible concessional (before tax) contributions and deemed earnings that are released. The tax rate will be based on the individual's marginal tax rate less 30%. No tax is withheld from amounts released that pertain to non-concessional contributions. For more information go to www.ato.gov.au.

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 date of settlement. You will need to notify your superannuation provider in the approved form that the contribution is a downsizer contribution at the time of making the contribution.

Qualifying downsizer contributions are exempt from the contributions caps.

We recommend you seek professional advice about whether your contributions qualify under these rules. For more information go to www.ato.gov.au.

Early release under compassionate grounds

From 1 July 2018, the responsibility for assessing the early release of super benefits under compassionate grounds has been transferred from the Department of Human Services (DHS) to the Australian Taxation Office (ATO).

While the eligibility criteria has not changed, in order to access your super under compassionate grounds, you must now apply via the ATO. To see the eligibility criteria and/or make an application go to www.ato.gov.au.

Reporting to the Department of Human Services (DHS)

From 1 January 2019, all income stream providers (super and non-super) will be required to electronically report member data to the Department of Human Services (DHS).

For account based and market linked income streams, the electronic reporting of member information to the DHS will be conducted twice yearly, with the first electronic report to be provided by 28 February 2019. For Lifetime, Life expectancy and term income streams, the electronic reporting to DHS will be conducted annually, with the first electronic report to be provided by 28 April 2019.

At the time of writing, no similar legislation has been introduced requiring mandatory reporting of member data directly to the Department of Veterans Affairs (DVA).

Proposed changes to superannuation

The Federal Government announced a number of changes to superannuation in the 2018 Federal Budget. The proposed changes, as described below, are not yet law and are subject to change.

Protecting your super package

The government has proposed the following three measures to apply from 1 July 2019:

1. Insurance in super can only be provided on an 'opt-in' basis for:
 - > Members under age 25
 - > Inactive accounts where no contributions or rollovers have been made within the last 13 months unless the member has elected to obtain or maintain their insurance cover
 - > Accounts with balances below \$6,000 (and has never reached \$6,000 since 1 April 2019)
2. Any inactive super accounts with balances below \$6,000, where no insurance cover is attached, will need to be transferred to the ATO.
3. Capping the total amount of administration, investment fees and prescribed costs to 3% each year for superannuation accounts with balances below \$6,000. In addition, exit fees will be banned on all super accounts.

Asgard Super and Pension changes

New funds on Asgard eWRAP and Asgard Infinity eWRAP

Over the 2017/2018 financial year, 29 new managed funds were added to Asgard eWRAP and Asgard Infinity eWRAP, covering a range of investment strategies. There are also three new Wholesale Plus Funds, bringing the total number of funds in the series to to 49.

In addition to this, 116 ASX-listed securities were approved for Super/Pension members, with over 700 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 retirement income calculator

In February 2018 we launched a new Asgard retirement income calculator* on asgard.com.au. The calculator is a great tool to help plan for your retirement and use with your adviser if you have one. Find out how even small changes can make a difference to your expected super balance.

Simply enter your current super balance and the age you wish to retire. The calculator will then provide an estimate of your projected balance at your selected retirement age. You can include a number of personal circumstances such as a partner's income, investment mix, planned career breaks and any ongoing contributions. The target retirement income is fully adjustable depending on your desired retirement lifestyle.

The results are also available in a PDF report which you can download.

* Please note, this calculator isn't intended to be your sole source of information when making a financial decision – so before making any financial decisions you should consider getting further information or personal advice.

BT Funds Management Limited registered address change

On 30 April 2018 the registered address of BT Funds Management Limited changed to Level 18, 275 Kent Street Sydney NSW 2000.

Document Upload facility enhancement

Through Investor *Online*, our Document Upload facility allows you to easily, scan and submit your completed paper forms and documents online. This year we increased the number of forms we can accept via the facility.

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 them 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.

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.

Get an insurance Certificate of Currency online

There are times when you need a Certificate of Currency as proof of your insurance cover. Our online facility simplifies and speeds up the process for you to print one any time via Investor *Online*. The certificate's in PDF format so it can also be easily saved for future reference or emailed to a third party.

If you have an Asgard Personal Protection Package insurance policy or a policy through your Asgard Employee Superannuation Account, you can print your Certificate of Currency directly from the Insurance detail screen.

If you hold a BT Protection Plan or Priority Protection for Platform Investors insurance policy, you will need to contact the insurer directly for your Certificate of Currency. To make it easy for you, the relevant contact details are also displayed on the Insurance detail screen.

From the Investor *Online* home page, go to the Account menu, click Insurance details, and then click the 'Certificate of Currency' hyperlink.

Understanding your investment

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 investment 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 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 > 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

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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.

Performance information

Performance as at 30 June 2018

For actual performance of your Asgard Super/Pension account, please refer to your Investor Report for the period ending 30 June 2018 which was issued to you in July.

For more recent performance information, you can access Investment Monthly performance tables on Investor *Online* <https://investoronline.info> under Information > Performance tables.



Investment information

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 2018 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. We credit all dividend or distribution payments from your investments to your cash account when they're received.

Investment managers

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

Aberdeen Standard Investments	MFS Investment Limited
Acadian Asset Management	MLC Limited
Advance Asset Management Limited	Montgomery Investment Management Pty Limited
Allan Gray Australia Pty Limited	Morningstar Investment Management Australia Limited
Alliance Bernstein Investment Management Australia	Mosaic Portfolio Advisers Limited
Altair Assets Limited	Mutual Limited
AMP Capital Investors	NAB Invest Managed Investments Limited
AMP Investments Australia Limited	Nanuk Asset Management Pty Limited
AMP Life Limited	National Custodian Services (MLC)
Antares Capital Partners Limited	Neuberger Berman Australia Pty Limited
Antipodes Partners Limited	Nikko AM Limited
APN Funds Management Limited	OC Funds Management
AQR Capital Management Llc	Odey Asset Management
Armytage Wholesale Funds Management Limited	Onepath Funds Management Limited
Atrium Investment Management Pty Limited	Onepath Life Limited
Aurora Funds Management Limited	Onepath Wholesale Investments
Ausbil Investment Management Limited	Onevue RE Services Limited
Auscap Asset Management Limited	Orbis Investment Management Limited
Australian Ethical Investment Limited	Pan-Tribal Asset Management Pty Limited
Australian Unity Funds Management	Paradise Investment Management Pty Limited
AMP Capital Investors Limited	Partners Group
AXA Investment Managers Asia (Singapore) Limited	Pendal Funds Services Limited
Bennelong Funds Management Limited	Pengana Capital Limited
Betashares Capital Limited	Perennial Investment Partners Limited
Blackrock Investment Management (Australia) Ltd	Perpetual Funds Management Limited
BNP Paribas Asset Management Australia Limited	Peters Macgregor Capital Management Limited
Brookfield Capital Management Limited	PIMCO Investor Services
BT Funds Management Limited	Pinnacle Fund Services Limited
BT Funds Management No. 2 Limited	Platinum Asset Management
Celeste Funds Management Limited	Plato Investment Management
Challenger Retirement & Investment Services Limited	Platypus Asset Management Pty Limited
Charter Hall Direct Property Management Limited	PM Capital Limited
Charter Hall Property Securities	Prime Value Asset Management Limited
The Colonial Mutual Life Assurance Society Limited	Principal Global Investors (Australia) Limited
Colonial First State Fund Managers Limited	Pyrford International Limited
Concise Asset Management	RACQ Bank
Cromwell Property Securities Limited	RARE Infrastructure Limited
Dimensional Fund Advisor Aust Limited	Regal Fund Management Limited
DNR Capital Pty Limited	Resolution Capital Limited
Eley Griffiths Group Pty Ltd	Robeco
Ellerston Capital Limited	Rubicon Asset Management Limited
EQT Funds Management	Russell Investment Management Limited

Fidante Partners Limited	Schroder Investment Management (Australasia) Limited
Fiducian Portfolio Services Limited	Smarter Money Investments Pty Limited
FIL Investment Management (Australia) Limited	Solaris Investment Management
Franklin Templeton Investments Australia Limited	Standard Life Investments
Freehold Investment Management	State Street Global Advisors Aust Limited
GMO Australia	T. Rowe Price Australia Limited
Grant Samuel Fund Services Limited	Tribeca Investment Partners Pty Limited
Hyperion Asset Management	UBS Asset Management Limited (NLS)
Integrity Investment Management Australia Limited	Van Eyk Research Limited
Invesco Asset Management Australia Limited	Vanguard Investments Australia Limited
Investors Mutual Asset Management	Ventura Investment Management Limited
iPac Asset Management Limited	Vertium Asset Management
Ironbark Asset Management (Funds Services) Limited	Watermark Funds Management
Jamieson Coote Asset Management Pty Limited	Wellington Investment Management Limited
Janus Henderson Australia	Westpac Bank Corporation
JPMorgan Asset Management (Australia) Limited	Westpac Financial Services Limited
K2 Asset Management Limited	Yarra Funds Management Limited
Lazard Asset Management Pacific Co	Zurich Financial Services Australia Limited
Legg Mason Asset Management Australia Limited	Zurich Investment Management Limited
LM Investment Management Limited	
Macquarie Investment Management Limited	
Macquarie Professional Series	
Macro Capital Limited	
Magellan Asset Management	
MAN Investments Australia Ltd	
Maple-Brown Abbott Limited	
MBA Limited	
Bank Australia Limited	

Investments exceeding 5%

The following investments exceeded 5% of the accounts' total assets at 30 June 2018:

Asgard Independence Plan – Division 2			
Direct asset	%	Indirect asset	%
BT Institutional Conservative Outlook PST	11	BT Multi-Manager Accumulator Fund	8
Westpac Term Deposits	8	Advance Australian Shares Multi-Blend Fund	5
Advance Balanced Multi-Blend Fund	6		



Other important information

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 32% (includes Medicare 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.

You're not required to supply your TFN to us, however if you do provide your TFN to us before 30 June 2019:

- > you won't have additional tax deducted from employer contributions made to your account during the 2018/19 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 (2015/16, 2016/17 and 2017/18).

Refund of contributions tax as an anti-detriment payment

From 1 July 2017, anti-detriment payments only apply to members 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% per annum (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 www.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 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 it has not been resolved to your satisfaction, you may lodge a complaint with the Australian Financial Complaints Authority (AFCA):

Online: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678
Mail: Australian Financial Complaints Authority,
GPO Box 3, Melbourne VIC 3001

AFCA is an independent body established by the Government to help members of super funds resolve complaints.

Financial information

As permitted under the *Corporations Act 2001*, 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 2018

	2018	2017
	\$'000	\$'000
Superannuation activities		
Interest income	56,246	65,445
Dividend income	53,351	54,146
Distribution income	1,217,306	1,710,728
Net gains/(losses) on financial instruments held at fair value through profit or loss	552,627	(49,840)
Other income	24,392	25,217
Total net income	1,903,922	1,805,696
Trustee's fees and administration expenses	133,659	146,034
Cash administration and custody fees	25,371	25,507
Other expenses	11,915	17,931
Total expenses	170,945	189,472
Profit/(loss) from superannuation activities before income tax	1,732,977	1,616,224
Income tax expense/(benefit)	(14,295)	44,800
Profit/(loss) from superannuation activities after income tax	1,747,272	1,571,424
Less: net benefits allocated to members' accounts	(1,747,272)	(1,571,424)
Profit/(loss) after income tax	-	-

Asgard Independence Plan – Division 2
Statement of financial position as at 30 June 2018

	2018	2017
	\$'000	\$'000
Assets		
Cash and cash equivalents	813,428	1,263,191
Unsettled sales	37,707	61,028
Accrued income	17,451	16,661
Receivables	1,972	2,010
Financial assets held at fair value through profit or loss	22,175,943	21,094,292
Total assets	23,046,501	22,437,182
Liabilities		
Unsettled purchases	–	2,624
Payables	52,286	53,280
Income tax payable	37,937	82,980
Deferred tax liabilities	45,772	39,317
Total liabilities (excluding member benefits)	135,995	178,201
Net assets available for member benefits	22,910,506	22,258,981
Member benefits	22,910,506	22,258,981
Total net assets	–	–

Asgard Independence Plan – Division 2

Statement of changes in member benefits for the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
Opening balance of member benefits	22,258,981	21,248,082
Employer contributions	617,575	649,629
Member contributions	375,528	786,068
Transfers from other funds	877,316	1,155,666
Transfers from other funds – successor fund transfer	–	23,593
Superannuation co-contributions	4,589	1,028
Income tax on net contributions	(81,405)	(87,254)
Net after tax contributions	1,793,603	2,528,730
Benefit payments	(2,711,580)	(2,924,301)
Insurance premiums charged to members' accounts	(99,399)	(99,126)
Insurance benefits credited to members' accounts	48,497	65,568
Adviser fees	(126,868)	(131,396)
Net benefits allocated to members' accounts	1,747,272	1,571,424
Closing balance of member benefits	22,910,506	22,258,981

For more information



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