

Asgard Super and Pension

Annual Report

For the year ending 30 June 2021

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 Open eWRAP – Super/Pension

Asgard Business Super

Asgard Employee Super Account (AESA)

Asgard

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IMPORTANT INFORMATION

This annual report dated December 2021 is issued by BT Funds Management Limited ABN 63 002 916 458, AFSL No.233724, RSEL0001090 ('Trustee'), the issuer and trustee of the Asgard Independence Plan – Division 2 ABN 90 194 410 365, which includes Asgard Managed Profiles and Separately Managed Accounts – Funds Super/Pension, Asgard Elements – Super/Pension, Asgard eWRAP – Super/Pension, Asgard Open eWRAP – Super/Pension, Asgard Infinity eWRAP Super/Pension and Asgard Employee Super Account, collectively referred to as 'Asgard Super/Pension'. Asgard Capital Management Ltd ABN 92 009 279 592 AFSL 240695 ('Asgard') is the administrator of Asgard Super/Pension.

The Trustee is an approved trustee under the *Superannuation Industry (Supervision) Act 1993 (Cth)*.

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 a n Asgard Super/Pension product or service, you should obtain and consider the relevant Product Disclosure Statement (PDS), available from your financial adviser or the Customer Relations team.

The Trustee and Administrator are subsidiaries of Westpac. Apart from any interest investors may have in Westpac term deposits or Westpac securities acquired through the Asgard Super/Pension products or underlying bank accounts held at Westpac through their Asgard Super/Pension accounts, an investment in, or acquired using, the Asgard Super/Pension products is not an investment in, deposit with or any other liability of Westpac or any other company in the Westpac Group. These investments are subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. Westpac and its related entities do not stand behind or otherwise guarantee the capital value or investment performance of any investments in, or acquired through, Asgard Super/Pension.

Message from the Chair



On behalf of the Board, we are pleased to provide you with your Annual Report for the financial year ended 30 June 2021.

The financial year presented opportunities and challenges as the coronavirus pandemic continued to affect communities, businesses and markets.

Markets remain buoyant. Despite market volatility, investors who held their nerve and did not panic were rewarded with a year of outstanding returns. This served as a timely reminder for investors that on the whole markets are forward-looking.

By the end of financial year 2021, there were positive signs of a steady economic recovery, largely due to the successful development and rollout of COVID-19 vaccines globally, lockdown restrictions easing in many countries and record levels of government spending.

Additional online resources

The pandemic has changed where, and how, we live and work. We have all faced uncertainty and have had to adapt with ingenuity. The team at Asgard has worked hard to keep you informed about your investments and retirement savings, through timely communications, and by giving members access to educational resources online.

Helping our members during tough times

In what was a difficult year for many, our Priority Care team continued to provide support for members impacted by serious illness, financial abuse, family or domestic violence, cognitive impairment and aging.

We also continued to help eligible members affected by the coronavirus-related downturn to access their superannuation savings, helping those experiencing financial hardship to get through a difficult time. Overall, since the Government measure on early access to super came into effect in April 2020, through to the end of the program in December 2020, we have been able to assist over 14,844 members by releasing \$183,692,010 of their super.

Important changes for some members

Former Asgard Employee Super Account (AESAs) members may already be aware that, effective from October 2021, AESA was closed. Members who were invested in the Asgard Employee Super MySuper Lifestage investment option had their super balances transferred to BT Super. Meanwhile, members who were invested in the Asgard Managed Profiles and Separately Managed Accounts - Funds (together, the Asgard Superannuation Account) continue to remain invested in these funds, as members of the Asgard Superannuation Account. These important changes ensure that we can continue to support members today and in the future.

Supporting regulatory changes

At Asgard, we always have our members' best interests at heart and regularly review our investment and superannuation products to ensure that these are appropriate for our member base. As part of this, we are working hard to ensure our products continue to meet new design and distribution obligations which commenced in October 2021.

The regulations are part of the reforms in the financial services sector stemming from the Royal Commission.

Upcoming Annual Member Meeting

Each year, we hold an Annual Member Meeting aimed at providing members with detailed information about their super and its performance, and access to the Board and senior executive team responsible for managing the fund. This year, the meeting will be held on 1 March 2022 – and you can access the meeting online from anywhere in Australia and overseas. You'll have the opportunity to pre-submit questions and ask questions at the meeting itself. We'd encourage you to register online [here](#).

Farewell and welcome

We'd like to take this opportunity to let you know about some new Board appointments and departures. We farewelled our Chair, David Plumb after more than 10 years of distinguished service on the Board, and as Chair since November 2015. On behalf of the Board and BT, I would like to express our gratitude to David for his leadership, especially his diligent focus on delivering the best outcomes for our members. I succeeded David as Chair on 1 July 2021. It is a privilege to return to BT after 11 years. I spent a number of years in my executive career at BT and have always been impressed by the passion the BT team have for delivering for our members and their advisers.

We recently welcomed Anne Anderson to the Board. Anne joined us after an impressive career as a fund manager at UBS. We farewelled Melinda Howes and Kathy Vincent, who both stepped down as executive directors after serving on the Board for six and three years respectively. We are grateful to Melinda and Kathy for their important contributions during their time on the Board.

The Board is now comprised wholly of non-executive directors.

In October 2021, we also welcomed Matthew Rady as the new Chief Executive Officer of BT Financial Group, which encompasses our combined Platforms, Super and Investments business. Matt has more than 30 years' experience in the financial services and wealth industries, and is focused on driving positive customer and member outcomes across BT.

Finally, we'd like to take this opportunity to thank you for your loyalty and support over the past year. We look forward to continuing to help prepare you for your best financial future.

Warmest regards,

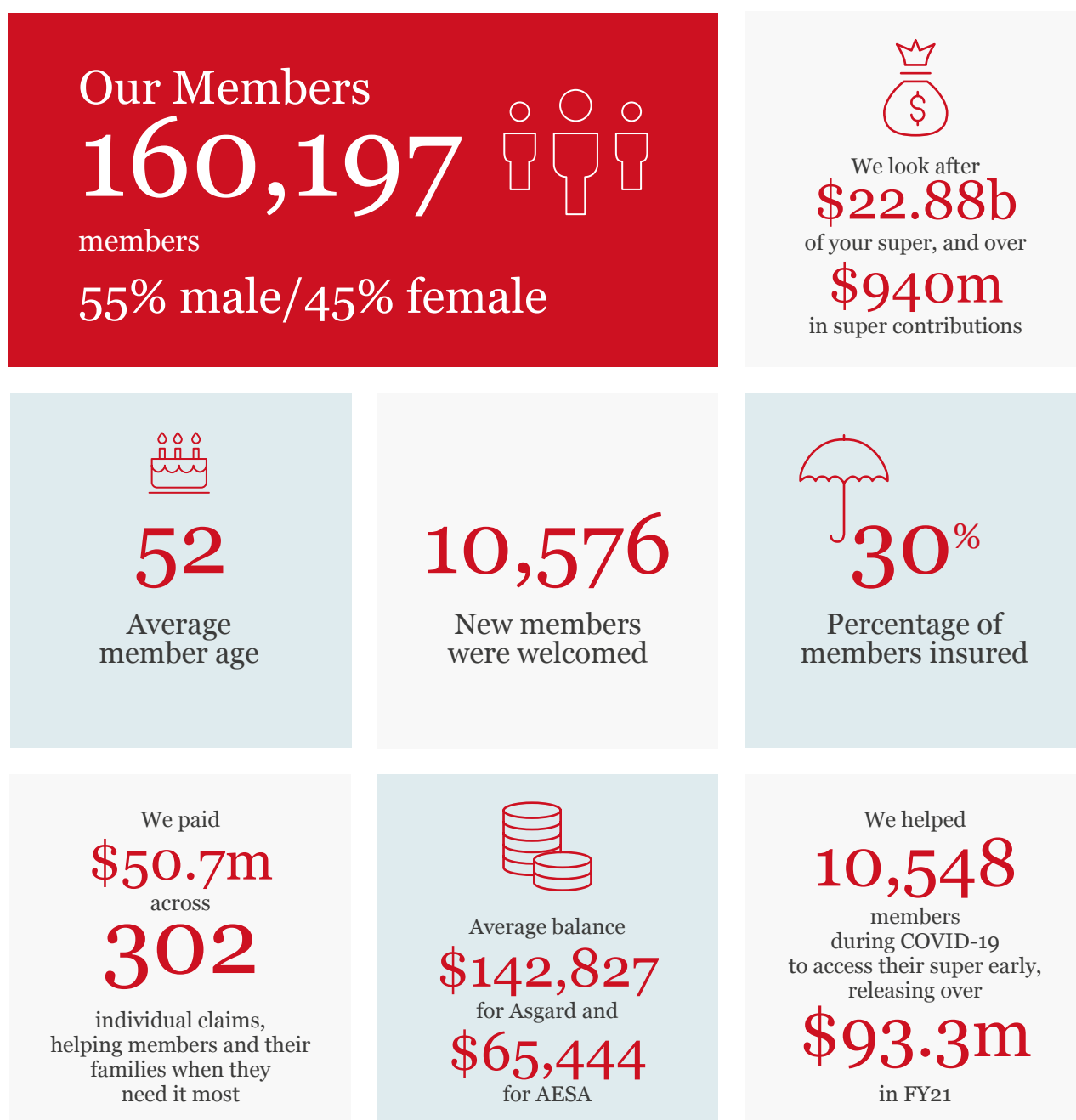
Gai McGrath

Chair,
BT Super

We're here to help

2020-21 highlights

Over the past year, we've continued to help our members, and their families prepare for their best financial future.



The Board and Governance

The Directors as at the date of this report are set out below;



Chair

Gai McGrath

Chair (1 July 2021 to present)

Gai McGrath was appointed as Chair and a Non-executive Director of the Superannuation Boards on 1 July 2021, and she also serves on the Board Audit, Risk & Compliance Committee and the Board Investment Committee.

Gai has over 35 years' experience in the financial services and legal industries. Including 12 years with Westpac Group (2003 to 2015) as General Manager of Westpac's retail banking businesses in Australia and New Zealand and in BT Financial Group as General Manager, Customer Service, Head of Customer Service Delivery and General Manager, Risk Solutions. Prior to joining the Westpac Group Gai spent seven years at Perpetual Limited including as General Counsel and Company Secretary and was a partner at a Sydney-based law firm.

Gai is Chair of Humanitix Limited and a Non-executive Director of Genworth Mortgage Insurance Australia Limited, Steadfast Group Limited, HBF Health Limited and Toyota Finance Australia Limited.

Gai holds a BA, LLB (Hons), LLM (Distinction) and is a Graduate of the Australian Institute of Company Directors.



Non-executive Director

Robin Burns

Independent, Non-executive Director
(1 July 2019 to present)

Robin was appointed as a director of the Superannuation Boards on 1 July 2019 and serves on the Board Investment Committee and Board Audit, Risk & Compliance Committee. Effective 10 July 2019, Robin was appointed as the Chairman of the Board Investment Committee.

Robin held senior executive roles in financial services for over 25 years' in a range of enterprises. He was Managing Director of Equity Trustees Ltd from 2010 to 2016 and since then has held a number of non-executive director positions. Before Equity Trustees he was CEO of Equisuper and held previous positions as a CEO and CFO in financial services.

Robin is a past member of the Chartered Accounting Institutes in England & Wales and Australia and was a personal member of the Australian Stock Exchange. He is a Fellow of the Australian Institute of Company Directors. He served on the board of the Financial Services Council until 2016, chairing a number of Board Committees.

He is a non-executive director of Defence Health Ltd and an independent member of the PIMCO Australia Compliance Committee.



Non-executive Director

Doug Carmichael

Independent, Non-executive Director
(1 July 2020 to present)

Doug was appointed as a director of the Superannuation Boards in July 2020 and serves on the Board Audit, Risk and Compliance Committee and the Board Investment Committee. Doug has more than 30 years' financial services experience most recently as the Commonwealth Bank Group Super chief executive where he led the trustee services team assisting the Group Super board in the development and execution of strategies to achieve member satisfaction, fund growth and member retention.

He previously was General Manager of strategic operations and risk management for Australian Administration Services.

Doug is a Founding Director and current President of the Canadian Australian Chamber of Commerce and was previously a Director of the Fund Executives Association Limited.

Doug was educated at Mount Allison University, Canada, and holds a Bachelor of Commerce.



Non-executive Director

Michael Cottier

Independent, Non-executive Director (16 November 2015 to present)

Michael Cottier was appointed as a Director of the Superannuation Boards in November 2015 and serves as Chairman of the Board Audit, Risk and Compliance Committee and also serves on the Board Investment Committee.

Michael has over 30 years' experience in financial services with expertise in finance and governance. Michael's past Executive roles were as CFO, QSuper Limited and CFO of QIC Limited. Before that Michael held senior finance and tax roles at Suncorp Group Limited.

Michael is a Fellow of the Australian Institute of Company Directors, a Fellow of Chartered Accountants ANZ (FCA), and holds a Masters in Taxation from The University of Queensland.

Michael is currently on the Boards of Queensland Teachers Union Health Limited (chair of Risk Committee), and WAM Alternative Assets Limited (Board Chair), and previously served as a member of the ASFA Governance & Regulatory Council.



Non-executive director

Anne Anderson

Independent, non-executive director (19 October 2021 to present)

Anne was appointed as a director of the Superannuation Boards in October 2021 and also serves on the Board Investment Committee. Anne has over 35 years' experience in financial services with a varied career in treasury and investment management. She has operated across Australian and international markets working with superannuation, wealth, sovereign and insurance retail, wholesale and institutional clients.

Anne has served in several Managing Director roles with UBS Asset Management most recently as Head of Fixed Income and Investment Solutions for Australia. Anne managed the UBS Asset Management Asia Pacific business for 8 years, chaired various global investment committees and was a member of the executive leadership team. She was also an Adviser to the Commonwealth Treasury Advisory Board for the Australian Office of Financial Management.

Anne is currently an Advisor to the REST Board Investment Committee, an Independent Member of the E&P Financial Group Wealth Investment Committee, Member of the ASIC Consultative Panel and Chair of the St Joseph's College Foundation.

Anne has a Bachelor of Economics, a Master of Applied Finance from Macquarie University and is a graduate of the Australian Institute of Company Directors.

Director changes

The name of the persons who have been Directors, or appointed as Directors during the period since 1 October 2020 and up to date of this report are:

- Gai McGrath (appointed 1 July 2021)
- Doug Carmichael
- Robin Burns
- Michael Cottier
- Anne Anderson (appointed 19 October 2021)
- David Plumb (appointed 1 March 2011 to 30 June 2021)
- Kathy Vincent (appointed 1 August 2018 to 4 October 2021)
- Melinda Howes (appointed 12 March 2015 to 4 October 2021)

Investment markets update from the Chief Investment Officer



Corrin Collocott
Chief Investment Officer

A strong market recovery is a positive for super members

While COVID-19 initially saw a decline in consumer spending and sentiment, the end of the 2020/21 financial year (FY21) saw positive signs of a steady economic recovery. This is largely the result of the global easing of lockdown restrictions, record levels of government spending to stimulate production and to reduce unemployment rates, and the successful development and rollout of COVID-19 vaccines globally throughout FY21.

How did the financial year unfold around the globe?

United States

The US began FY21 recording its worst economic downturn ever, with Q2 2020 gross domestic product falling by a historic 31.4%. Despite this, the S&P 500 Index posted its best return in 35 years in August 2020.

Over the year we have also seen the US re-joining the World Health Organisation and the Paris Climate Agreement, announce a proposed US\$2 trillion infrastructure spend, and seen the unemployment rate fall, providing hope for a strong improvement in the world's largest economy.

Asia

In Asia, China continued the trend of slow growth but by October 2020 their share market had erased almost all the losses seen since the start of the pandemic.

Japan too was heavily impacted by COVID-19 and at the end of 2020 their economy experienced its first contraction since 2009. Over the same period, Japan's Nikkei index hit 30,000 for the first time since 1990.

Europe

In Europe, drawn out Brexit negotiations significantly impacted Eurozone markets, but after terms were agreed in December 2020, the region's focus shifted to vaccine rollouts and economic recovery.

In the UK, house prices reached record highs, the Bank of England kept interest rates at a historic 0.10% low and as the UK began to exit lockdown in April 2021, it signalled a return in consumer confidence and an optimistic outlook ahead.

Australia

Finally, in Australia, low consumer confidence and high unemployment made for a rocky start to FY21 as Australia fell into a recession for the first time in almost three decades.

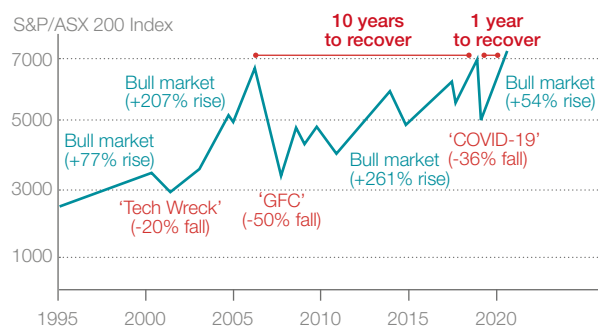
The number of daily COVID-19 cases regularly exceeded 700 at the height of the pandemic, and much of the population found themselves in lockdown. But there was plenty of support with close to \$300 billion spent on government programs like JobKeeper and JobSeeker, and the Reserve Bank slashed the cash rate to a record low of 0.10% in November 2020, which helped stabilise the Australian economy, pulled it out of recession, and improved consumer and business confidence.

How did markets react?

Most major investment markets rose over FY21, with several hitting record levels as economies returned to pre-COVID-19 levels of growth.

In particular, the Australian and US markets both experienced extraordinary rebounds. This is the benefit of having solid financial market systems in place when COVID-19 originally hit. It only took one year for the Australian S&P/ASX 200 to recover and surpass its pre-pandemic levels despite the historical market falls in March 2020. Compare this to the global financial crisis (GFC) when the Australian market took 10 years to fully recover, and the US S&P 500 took seven years.

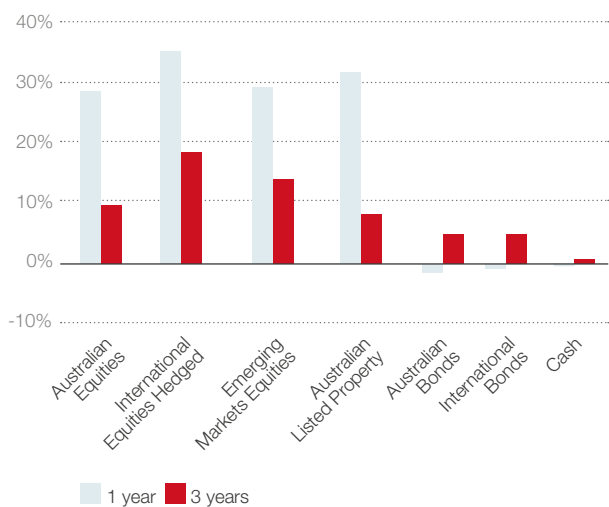
The Australian share market took only one year to recover



Source: BT Investment Solutions, Factset

The combination of low interest rates and significant government spending saw all major growth asset classes like shares and property deliver strong returns. While cash rates globally have been very low since the start of the pandemic, cash and fixed interest still play an important defensive role in a diversified investment portfolio – cushioning it against any large market falls, such as those we experienced in March 2020.

FY21 asset class returns



Source: Bloomberg

What does this mean for super fund returns?

Strong returns from growth assets in FY21 delivered great results for members invested in funds with a higher allocation to shares and property assets. Members invested in funds with more defensive assets (cash and fixed interest) would have received more moderate returns.

The outlook for super fund returns

Super is a long-term investment, and recent events demonstrate exactly why.

Corrin Collocott, BT's Chief Investment Officer, explains, "The impact of COVID-19 was sudden and unexpected, taking markets by surprise. But those super fund members who maintained their investment in a strategy that spread risk across a variety of asset classes have been rewarded with a year of strong returns."

"The turnaround was swift and investment portfolios that spread risk across a variety of asset classes, were well positioned to benefit from the recovery when it happened."

Generally, over the long term, shares and property continue to provide an opportunity to build long-term wealth, particularly when we're experiencing relatively low returns from cash and fixed interest investments. Maintaining good diversification in super when investing leaves you less exposed to a single economic or market event. And by maintaining investments, and staying invested for the long term, you'll potentially make the most of rebounding markets like we've seen across FY21.

"Managing members' retirement savings is a responsibility we take seriously", says Corrin. "Our team of investment specialists uses research, skill and insight to identify opportunities that can create sustainable, long-term returns while also managing risk appropriately for our members."

"The BT Investment Solutions team is focused on delivering outcomes to support our members to prepare for their best financial future in retirement."

2020-21 financial year

Eligible super members able to access up to \$10,000 of their super

July 2020 US S&P 500 Index sees its best August return since 1986, up 7%

August Australia in first recession for nearly 30 years

September Australian consumer sentiment index jumps to the highest reading since July 2018

October RBA lowers cash rate to an all-time low of 0.1% and the Australian market posts best month in over 30 months

November Australia no longer in a recession although trade tensions increased with China over export tariffs

December Global COVID-19 vaccine rollout continues and US President Joe Biden inaugurated

January 2021 One year since the first locally acquired COVID-19 cases outside China

February US markets reach record highs and 4% of the world's population had at least one COVID-19 vaccination

March Australian business conditions hit a record high despite the withdrawal of JobKeeper

April Australian federal budget outlines how we'll recover from the pandemic

May Share markets finish the year at or near record highs, but challenges remain

June

Structuring your investment portfolio – the right way

Nothing affects your long-term returns more than structuring your portfolio with the right mix of assets.

So what steps should you take?

The first step is to determine how your money will be invested across different asset classes like shares, property or bonds. Asset values and markets move up and down constantly, so you also need to think about the amount of risk you're prepared to take on and what your overall investment objectives are.

How your portfolio should be structured therefore comes down to a combination of these three things:

- Risk profile – are you comfortable with taking risk or do you prefer to play it safe?
- Your investment timeframe – when do you need the money for other purposes (like your requirements in retirement)?
- Rebalancing – reviewing your investment allocation to make sure it's still doing what you want, and adjusting as needed.

Structure your portfolio in line with how you feel about risk

Many people think they need to choose between risky investment options, such as shares and more stable investments like cash or bonds, when constructing their portfolio.

But the truth is, when making decisions about the different types of assets to include in your portfolio, you should first consider the amount of risk you are willing to take.

When you're thinking about risk, consider it in terms of volatility – the severity of the highs and lows you're likely to experience. If you don't think you've got the stomach to endure significant losses after experiencing major gains, then consider including more diversification in your portfolio. When done properly, this can help to build some shock absorbers that can take the heat.

Diversify your portfolio

When building your investment portfolio, it's important to think about choosing asset classes which are not correlated with each other. This means you want your portfolio to have assets which move in different directions and at different times. It's these differences that provide stability in your portfolio.

If one of your asset classes performs poorly and your assets are not correlated, then your other asset classes may be performing well – helping to offset the losses of the poor performers. For example, shares and property are what is referred to as 'growth' assets but their market values tend to move differently. When these assets are combined, the overall volatility is typically reduced. You could also include some 'defensive' assets in your portfolio such as bonds and cash to even out the volatility further.

Downside of diversification

While diversifying your portfolio can help to reduce risk and volatility across a group of investments, it can also limit your returns. This is because your portfolio is more likely to mimic the market average. Not only that, it can be time-consuming given you'll have more investments to manage.

Your portfolio investment timeframe

When considering your timeframe, it's really about maximising the chance that your money will be there when you need it. Generally, if you're investing money that you don't need for a long time, then you might consider investing in riskier options such as stocks. If however, you're looking to take your money out in 6 months, you may be better off choosing safe asset classes like cash.

Let's break this down in more detail

If you're approaching retirement for example, you'll be wanting to start accessing money from your portfolio in a few years. However, most of your investments won't be needed until after you've retired which could be years away. Taking a highly conservative approach with your investments may not deliver the best outcomes as your investment time horizon is likely long enough to withstand the volatility of higher risk assets.

Reviewing your portfolio

Markets never stay the same so you should regularly review your investment portfolio to check whether changes may be required. To validate that it continues to provide the level of return you're after and at the level of risk you're comfortable with, it's important to regularly review your asset allocation and change it accordingly – this is known as rebalancing. Avoid doing this too often though – around once a year is typically ideal.

Bringing value to our members

At Asgard, we place our customers at the centre of everything we do. We're committed to constantly seeking ways to help our customers prepare for their best financial future, and this year was no different.

Helping members make the most of their super

Understanding super and how it works is key to helping members prepare for their best financial future.

To support our members in making the most of their super, we've expanded our range of online tools and calculators available at bt.com.au/supercalculators to include a:

- Super and Retirement Calculator, which helps work out how long super will last in retirement;
- Risk Profiler, to discover the level of investment risk members are comfortable with;
- Small Change Big Savings Calculator, which shows the value of making small contributions to super; and
- First Home Super Saver Calculator, showing how super can help save for a home deposit.

This year we also commenced a series of regular webinars for members, which covered a range of topics including how your super is invested and has performed, planning for retirement, financial wellbeing and super and money issues for women. Members can attend the webinar live, giving them the chance to ask questions, or they can be viewed later at a time that is convenient to them.

We continue to send monthly super updates to members to help them to learn more about how they can make the most of their super, and how to access tools and resources that are available to them.

For members of our employer super plans, our team of Relationship Managers are on hand to answer members' questions and to also guide employers on their super obligations. They've delivered 76 workplace seminars and met one-on-one with over 1,500 members across Australia this year.

Supporting members in need of extra care

The Asgard Priority Care team supports our vulnerable members with dedicated case management, and extra care. The team's help can be as simple as assistance in filling out forms and untangling processes, to referrals to third party support services. Since the team was established, Asgard Priority Care has helped members impacted by serious illness, financial abuse, family or domestic violence, cognitive impairment, and aging – by giving prioritised support to customers trying to access their super via compassionate grounds, financial hardship and added care during COVID-19, and other life events.

Everyday discounts helping members save

Asgard members have access to our Benefits Now program, which offers great discounts on movie tickets, holidays, electrical goods and so much more. Members can access Benefits Now through Investor *Online* or by visiting bt.com.au/benefitsnow.

Recent developments in superannuation and changes to your product

1. 2021/22 superannuation thresholds

The superannuation contributions caps and various other superannuation thresholds that apply for 2021/22 financial year are as follows:

	2021/22
Concessional contributions cap	\$27,500 ¹
Non-concessional contributions cap	\$110,000 ²
Capital Gains Tax (CGT) cap (lifetime limit)	\$1,615,000
Government co-contributions	
Maximum co-contribution ³	\$500
Lower threshold	\$41,112
Upper threshold (cut off)	\$56,112
Superannuation Guarantee (SG) rate⁴	10%
Low rate cap	\$225,000

2. Pension drawdown rates

The pension drawdown rates that were temporarily reduced by 50% in 2019/20 financial year have been extended to the 2021/22 financial year due to COVID-19.

The table below illustrates the standard minimum pension factors and the temporary reduced rates.

Age	Reduced minimum rates for 2019/20 – 2021/22	Default minimum drawdown rates
Under age 65	2%	4%
65 to 74	2.5%	5%
75 to 79	3%	6%
80 to 84	3.5%	7%
85 to 89	4.5%	9%
90 to 94	5.5%	11%
95 or over	7%	14%

3. Super guarantee increase

The rate of super guarantee increased to 10% from 1 July 2021; the first increase since 1 July 2014. Super guarantee rates will increase incrementally each year until they reach 12% in 2025 as per the table.

1 July 2014 - 30 June 2021	9.5%
1 July 2021	10%
1 July 2022	10.5%
1 July 2023	11%
1 July 2024	11.5%
1 July 2025	12%

4. Removal of eligible rollover funds

Since 1 May 2021, super funds are no longer permitted to transfer super accounts to an eligible rollover fund (ERF). Funds may transfer amounts to the Australian Tax Office (ATO) if it is in the member's best interests.

5. Transfer balance cap increase

There is a limit on how much you can transfer to a super income stream where earnings are tax free, known as the transfer balance cap. The general transfer balance cap increased to \$1.7 million from 1 July 2021. You may have a personal transfer balance cap which can differ from the general transfer balance cap due to timing and indexation impacts. You will have a personal transfer balance cap of between \$1.6 million and \$1.7 million, depending on your circumstances.

If your super is in accumulation (savings) phase before 1 July 2021 i.e. you have not started taking a super income stream (pension), then your transfer balance cap will be \$1.7m.

We recommend you refer to the ATO for further information (and your myGov account) or seek professional advice to determine your personal transfer balance cap.

1 Members with a total super balance less than \$500,000 at the end of the previous financial year can make additional concessional contributions by utilising unused cap amounts accrued from 1 July 2018, for up to five financial years.

2 If you are under age 67 on 1 July 2021 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 \$1.7 million, your non-concessional contribution cap will be nil. Your total super balance is assessed as at 30 June of the previous financial year.

3 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.

4 The SG rate will increase by 0.5% each financial year (10.5% from 1 July 2022 and so on) until it reaches 12% on 1 July 2025.

6. Bring forward contributions

The government has increased the age at which you can bring-forward non-concessional (after-tax) super contributions. If you are under age 67 at any time in a financial year you may be able to contribute up to three times the annual cap. This change applies to non-concessional contributions made on or after 1 July 2020. The amount you can contribute as a non-concessional contribution depends on your total super balance (across all funds) as at 30 June of the previous financial year.

7. Penalties for excess concessional contributions

The excess concessional contributions charge in relation to excess concessional contributions made for 2021/22 and later financial years is removed. This means if you make contributions on or after 1 July 2021 that exceed your concessional contributions cap, you will no longer have to pay interest on the increased tax liability due to the inclusion of the excess contributions in your assessable income.

Excess concessional contributions will still be automatically added to your assessable income and taxed at your marginal tax rate, with a 15% tax offset.

8. Recontribution of COVID-19 early super release amounts

If you withdrew an amount from your super account under the COVID-19 early release of super program, you will be able to re-contribute these amounts and not have them count towards your non-concessional contribution cap between 1 July 2021 and 30 June 2030.

To have a contribution recognised as a COVID-19 re-contribution amount, you must provide your super fund with the *ATO Notice of re-contribution of COVID-19 early release amounts form* either at the time or before the contribution is made to the super fund. You can refer to ato.gov.au for more information.

9. Stapling

Super funds will be 'stapled' to new employees from 1 November 2021 when they change jobs. The changes will 'staple' employees to the first super fund they join unless they explicitly choose to join another. This means when an employee starts a job with a new employer from 1 November, their employer will have to contribute to their existing fund (their 'stapled fund') – if they have one – and if they don't provide instructions to contribute to another super fund.

Employers will have to check with the Australian Taxation Office if their employee has a stapled fund to pay the employee's super guarantee into.

10. Fund comparison and performance

The ATO has launched a YourSuper online comparison tool to help individuals compare MySuper (simple low-cost) products that may best suit their needs. A personalised version is available via your myGov account. MySuper products will also be subject to an annual performance test, and those products that do not meet the benchmarks imposed by the test will be identified in the YourSuper comparison tool and required to notify members. If the product fails to meet the performance test benchmarks for a second consecutive year it will be prohibited from accepting new members.

11. Superannuation transparency in family law

The transparency of superannuation information will be increased in family law property proceedings, leveraging information held by the Australian Taxation Office (ATO).

Under the changes commencing 1 April 2022, parties to a family law property proceeding will be able to apply to the family court to request information about the identity and value of their current or former partner's superannuation assets from the ATO.

The ATO is working with the family law courts to build and access a secure portal through which superannuation information is expected to be requested and disclosed.

12. SMSF membership

From 1 July 2021, the maximum number of allowable members in a self-managed superannuation fund (SMSF) is increased from four to six. This means larger families will be able to include all their family members in their SMSF.

13. Low and middle income tax offset

The low and middle income tax offset (LMITO) will continue for another year (was due to cease on 30 June 2021). The offset is calculated by the ATO when an individual's tax return is submitted. LMITO applies on taxable income up to \$126,000 and is worth up to \$1,080.

Proposed changes to superannuation

The following proposed changes are not yet law and are subject to change.

Federal Budget 2021 proposals from 1 July 2022

1. Removal of the work test requirements

Individuals up to age 74 will be able to make voluntary contributions to their superannuation without having to meet the work test.

Individuals aged 67 to 74 years will still have to meet the work test to make personal deductible contributions.

2. Bring forward contributions

The maximum age to use the bring forward rule to make non-concessional contributions will be increased from 66 to 74.

3. Extending the downsizer scheme to those aged 60 or over

The downsizer scheme, which currently allows people aged 65 or over to make a one-off contribution of up to \$300,000 to their superannuation from the proceeds of the sale of an eligible home, will be extended to individuals aged 60 or over. Other rules governing the scheme will remain unchanged. This includes the home having to be owned for at least 10 years.

4. Increasing the First Home Super Saver Scheme (FHSSS) maximum release amount to \$50,000

The maximum amount of voluntary contributions that can be released from superannuation to pay for the purchase of a first home will be increased from \$30,000 to \$50,000.

This will mean first home buyers will need to make voluntary contributions to superannuation for at least four years to be able to access the maximum \$50,000.

5. Removing the \$450 per month super guarantee eligibility

The current \$450 per month minimum income threshold that applies to employer super guarantee obligations will be removed so employees earning less than \$450 per month will be eligible for super guarantee contributions.

Asgard Super and Pension changes

High Quality Fund ratings awarded to Asgard for 2021

The following super and pension products were awarded the silver '4 Apples – High Quality Fund' ratings by Chant West:

- Asgard Elements
- Asgard eWRAP
- Asgard Infinity eWRAP
- Asgard Employee Super Account
- Asgard Managed Profiles and Separately Managed Accounts – Funds Super/Pension

According to Chant West, funds are awarded a rating from 5 Apples (highest quality fund) to 1 Apple (lowest quality fund). The ratings relate to what they regard as industry best practice and are based on criteria established through their extensive research and consulting in the superannuation industry over more than 20 years¹.

Changes to adviser commissions

Since 30 November 2020, Asgard ceased deducting some types of commissions for financial advisers, with the final payments made in December 2020. This was ahead of the requirement to remove these commissions across the financial services industry by 1 January 2021.

Members would have received a notice with the relevant changes that impacted them. Depending on the account, the changes may have resulted in:

- A lower administration fee
- A reduction in insurance premiums

Changes to advice fee consent

From 1 July 2021, ongoing fee arrangements which advisers have in place with their clients will need to be renewed on an annual basis, and advisers must obtain written consent from their clients before any advice fees in relation to the ongoing fee arrangements can be deducted.

- From 13 December 2020 advisers and clients will need to use the advice fee client consent form to request advice fees. Any existing arrangements in place prior to 13 December 2020 must be brought into compliance with the new requirements by 31 May 2022
- Consent will expire on the consent expiry date specified on the Advice fee consent form
- Certain upfront and contribution fees have been removed for some products

Design and distribution obligations

The *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* came into effect 5 October 2021, with the intention of helping customers obtain financial products that are likely to be suitable for them. We have set out a description of the type of customer who might suit each superannuation and pension product based on their likely objectives, financial situation and needs in a document called a Target Market Determination. The Target Market Determination is available at your relevant product PDS page and at bt.com.au/TMD

Change in insurer

Since 1 July 2020, Westpac Life Insurance Services Limited (WLISL) was replaced by AIA Australia Limited (AIA) ABN 79 004 837 861 AFSL 230043 as the new insurer of the Asgard Personal Protection Package. AIA is an award-winning global insurer with over 47 years' experience in Australia, that shares our philosophy of supporting the health and wellbeing of our members.

New funds on Asgard eWRAP and Asgard Infinity eWRAP

Over the 2020/21 financial year, 40 new managed funds were added to Asgard eWRAP and Asgard Infinity eWRAP, covering a range of investment strategies.

In addition to this, 134 ASX-listed securities were approved for Asgard Super/Pension members, with over 740 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.

¹ Superannuation is a long-term investment. The government has placed restrictions on when you can access your preserved benefits. The Government has set caps on the amount of money you can add to superannuation each year on a concessional basis. In addition, the government has set a non-concessional contributions cap. For further details, speak with a financial adviser or visit the ATO website. Awards and ratings are opinions only, are not recommendations and are only one factor to be taken into account when deciding to acquire, dispose or hold interests in the products listed. Awards and ratings are current at the time of publication but are subject to change. These awards and ratings can be viewed at: chantwest.com.au/fund-ratings/super

Asgard Super and Pension changes

Updated investment return objective of your Asgard MySuper Lifestage Investment Option for AESA members

The table below shows the investment objective for each Asgard MySuper Lifestage Investment Option as at 30 June 2021 for AESA members:

Asgard MySuper Lifestage Investment Option	Investment return objective (over a 10-year period) ¹
1940s	CPI + 1.4% p.a.
1950s	CPI + 1.7% p.a.
1960s	CPI + 2.4% p.a.
1970s	CPI + 3.5% p.a.
1980s	CPI + 3.4% p.a.
1990s	CPI + 3.4% p.a.
2000s	CPI + 3.4% p.a.

¹ After fees and taxes

² In October 2021 we closed the Asgard Employee Super Account (AESA) and transferred members' super balances to BT Super in Retirement Wrap or Asgard Superannuation Account (ASA).

Updated Asgard MySuper Lifestage Investment Options indirect costs for AESA members

The table below shows the estimated indirect costs and buy-sell spreads in relation to the year ended 30 June 2021 for AESA members:

Estimated Indirect Costs ¹				
Asgard MySuper Lifestage Investment Option	Investment Manager fee (%)	Estimated performance-related fee (% p.a.)	Other indirect costs (% p.a.)	Estimated buy-sell spread (%)
1940s	0.50	0.01	0.14	0.32
1950s	0.50	0.01	0.14	0.32
1960s	0.50	0.00	0.13	0.32
1970s	0.50	0.00	0.11	0.32
1980s	0.50	0.00	0.11	0.32
1990s	0.50	0.00	0.11	0.32
2000s	0.50	0.00	0.11	0.32

¹ Estimated indirect costs are an estimate to the 12 months to 30 June 2021. Performance-related fees are not a representation of likely future performance. The actual performance-related fees will depend on the performance of the relevant investment managers, so are likely to vary from this estimate.

² In October 2021 we closed the Asgard Employee Super Account (AESA) and transferred members' super balances to BT Super in Retirement Wrap or Asgard Superannuation Account (ASA).

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*.

Asgard eWRAP and Asgard Open eWRAP

Asgard eWRAP and Asgard Open 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 transaction account.

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, and a broad range of securities listed on the ASX.

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.

Asgard SMA – Funds portfolio	Investment objectives	Strategy
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.

Closure of Asgard Employee Super Account

We have made an important change for members invested in an Asgard Employee Super Account (AESA) to ensure we support them today and in the future. With effect from October 2021 we have transferred AESA members' super balances to BT Super or Asgard Superannuation Account (ASA) and AESA has been closed.

Members invested in the Asgard Employee Super MySuper Lifestage investment option were transferred to BT Super and members invested in the Asgard Managed Profiles and Separately Managed Accounts continue to remain invested in these funds, however as members of ASA.

BT Super is a product within the BT superannuation fund known as Retirement Wrap. The trustee of Retirement Wrap is BT Funds Management Limited, which is part of the Westpac Group. BT Funds Management Limited is also the trustee of AESA.

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

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 as at 30 June 2021

For actual performance of your Asgard Super/Pension account, please refer to your Investor Report for the period ending 30 June 2021 which was issued to you in July.

For more recent performance information, you can access Investment Monthly performance tables on Investor *Online* 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 and shares. 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 2021 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 transaction account when they're received.

Investment managers

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

Aberdeen Standard Investments Australia Limited
Acadian Asset Management
Advance Asset Management Limited
Allan Gray Australia Pty Limited
AllianceBernstein Australia Limited
Alphinity Investment Management Pty Limited
AMP Capital Investors Limited
AMP Capital Investors Limited No. 2
Antares Capital Partners Limited
Antipodes Partners Limited
APN Funds Management Limited
AQR Capital Management Llc
Ardea Investment Management Pty Ltd
Atlas Infrastructure (Australian) Pty Ltd
Atrium Investment Management Pty Limited
Ausbil Investment Management Limited
Australian Ethical Investment Limited
Australian Unity Funds Management
AXA Investment Managers Asia (Singapore) Limited
Barwon Investments Partners
Bennelong Funds Management Limited
Bentham Asset Management Pty Limited
BlackRock IM Aust Limited (Barclays)
BlackRock Investment Management (Australia) Limited
BNP Paribas Asset Management Australia Limited
BT Funds Management Limited
BT Funds Management No.2 Limited
Capital International Inc
Celeste Funds Management Limited
Challenger Retirement & Investment Services Limited
Charter Hall Direct Property Management Limited
Charter Hall Property Securities Management Limited
Colchester Global Investors (Singapore) PTE Limited
Colonial First State Fund Managers Limited
Cromwell Property Securities Limited
Dimensional Fund Advisor Aust Limited
DNR Capital Pty Limited
Eley Griffiths Group Limited
Ellerston Capital Limited
EQT Funds Management

Investment information

Fairlight Asset Management Pty Limited	Novaport Capital Pty Limited
Fairview Equity Partners Limited	OC Funds Management Pty Limited
Fiducian Portfolio Services Limited	OnePath Funds Management Limited
FIL Investment Management (Australia) Limited	Orbis Investment Management Limited
Franklin Templeton Investments Australia Limited	Pan-Tribal Asset Management Pty Limited
Freehold Investment Management	Paradise Investment Management Pty Limited
GQG Partners LLC	Partners Group
Greencape Capital Pty Limited	Pendal Institutional Limited
GSFM Responsible Entity Services Limited	Pengana Capital Limited
GMO Australia	Perennial Investment Partners Limited
Hyperion Asset Management Limited	Perpetual Funds Management Limited
Intermede Investment Partners	PIMCO Australia Pty Limited
Invesco Asset Management Australia Limited	Pinebridge Investments LLC
InSync Funds Management	Pinnacle Fund Services Limited
Investors Mutual Asset Management	Platinum Investment Management Limited
IOOF Investment Services Limited	Plato Investment Management Limited
iPac Asset Management Limited	Platypus Asset Management Pty Limited
Ironbark Asset Management (Funds Services) Limited	PM Capital Limited
JamiesonCooteBonds Pty Limited	Prime Value Asset Management Limited
Janus Henderson Investors (Australia)	Pyrford International Limited
Institutional Funds Management Limited	Quay Global Investors Pty Limited
JPMorgan Asset Management (Australia) Limited	Quest Asset Partners
K2 Asset Management Limited	RARE Infrastructure Limited
Kapstream Capital Pty Limited	Resolution Capital Limited
Lazard Asset Management Pacific Co	Robeco Hong Kong Limited
Legg Mason Asset Management Australia Limited	Russell Investment Management Limited
Lenox Capital Partners Pty Limited	Schroder Investment Management Australia Limited
Macquarie Investment Management Australia Limited	SG Hiscock & Company Limited
Macquarie Investment Management Global Limited	Smarter Money Investments Pty Limited
Macquarie Professional Series	Solaris Investment Management
Magellan Asset Management	State Street Global Advisors Australia Limited
MAN Investments Australia Limited	Specialised Private Capital Limited
Maple-Brown Abbott Limited	T. Rowe Price Australia Limited
Metrics Credit Partners	Talaria Asset Management Limited
Merlon Capital Partners Pty Limited	Tribeca Investment Partners Pty Limited
MFS International Australia Pty Limited	UBS Asset Management (Australia) Limited
MLC Investments Limited	Vanguard Investments Australia Limited
Montgomery Investment Management Pty Limited	Vertium Asset Management Pty Limited
Morningstar Investment Management Australia Limited	Watermark Funds Management Pty Limited
Munro Partners Mutual Limited	Wavestone Capital Pty Limited
Nanuk Asset Management Pty Limited	Yarra Funds Management Limited
Nikko AM Limited	Zurich Investment Management Limited

Investments exceeding 5%

The following investments exceeded 5% of the accounts' total assets.

As at 30 June 2021, the value of members':

- Transaction accounts, which are invested in one or more underlying bank accounts at Westpac Banking Corporation, represents 6.0% of the total assets in Asgard Independence Plan – Division 2,
- Units in the BT Institutional Conservative Outlook PST, represents 12.8% of the total assets in Asgard Independence Plan – Division 2,
- Units in managed funds and ETFs managed by Vanguard Investments Australia represents 8.5% of the total assets of Asgard Independence Plan – Division 2,
- Units in managed funds and ETFs managed by BlackRock Investment Management (Australia) represents 8.4% of the total assets of Asgard Independence Plan – Division 2, and
- Units in managed funds managed by Advance Asset Management, represents 11.2% of the total assets of Asgard Independence Plan – Division 2

The above values are accurate as at 30 June 2021, but will continue to change over time. There are no other combinations of investments that the Trustee knows or ought reasonably to know are invested, directly or indirectly, in a single enterprise or single group of associated enterprises and that have a combined value in excess of 5% of the total assets of Asgard Super/Pension as at 30 June 2021.

How risk is measured

The level of risk, or Standard Risk Measure, for each investment option is based on an estimate of the number of negative annual returns that may be experienced over any 20-year period as shown in the table.

Standard Risk Measure		Estimated number of negative annual returns over any 20-year period
Risk band	Risk label	
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The Standard Risk Measure allows you to compare the level of risk of investment options within Asgard Super/Pension as well as other investment options available through other super funds.

When comparing the level of risk of investment options, it's important to take into consideration the investment option's investment objective, investment strategy and the strategic asset allocation.

The Standard Risk Measure is not a complete assessment of all forms of investment risk, for example it does not detail what the size of the negative return may be or the potential for a positive return to be less than the return you require to meet your investment objectives. It also does not take into consideration the impact of administration fees and tax on the likelihood of a negative return. You should ensure you are comfortable with the risks and potential losses associated with the investment options you choose to invest in. For information on the methodology used in the calculation of the Standard Risk Measure, please refer to your relevant Investment Options Booklet.

Types of risks

There will always be the risk of fluctuations in the value of an investment. Investment risk can be managed and even minimised but it cannot be completely eliminated. It is important to understand that not all risks are foreseeable. There is always the chance that you may lose money on any investment you make.

Some common types of investment risks are outlined in the table below.

Investment specific risk	An investment in, or exposure to, a company or managed fund that may be affected by unexpected changes in that company's or managed fund's operations (due to quality of management, use of technology etc.) or its business environment.
Market risk	Markets are subject to a host of factors including economic conditions, government regulations, market sentiment, political events and environmental and technological issues. Market risk may have different impacts on each investment and investment style. It may mean that the value of your investment falls or that your investments cannot be readily sold.
Currency risk	If an investment is held in international assets, a rise in the Australian dollar relative to other currencies may negatively impact investment values or returns.
Interest rate risk	Changes in interest rates can have a negative impact either directly or indirectly on investment value or returns of all types of assets.
Derivatives and gearing risk	Some of the investment options available in Asgard Super/Pension may use derivatives and gearing (borrowing). The value of derivatives is linked to the value of the underlying assets and can be highly volatile. Potential gains and losses from derivative transactions can be substantial.
Alternative investments risk	Underlying funds may invest in 'alternative investments'. Alternative investments is a category that includes a range of sophisticated investments including hedge funds, venture capital, private equity, leveraged and management buyouts, commodities and futures trading funds. Like shares, property, fixed interest and cash, alternative investments are subject to certain risks that may include periods of large market falls, high volatility or reduced liquidity (i.e. the ability to sell investments immediately). Certain alternative investments carry significant risk. In addition, losses may arise due to other factors, including poor judgement, misconduct or fraud. Some investment strategies are reliant on key individuals. Some alternative investments may be based in countries where the level of regulatory supervision is lower than in Australia.
Credit risk	There is always a risk of loss arising from the failure of a debtor or other party to a contract to meet their obligations. This potentially arises with various investments including derivatives and fixed interest and mortgage securities.
Liquidity risk	This is the risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay because of either not enough buyers in the market for the particular investment or disruptions in the marketplace. Securities in small companies in particular may, from time to time and especially in falling markets, become less liquid.
Legal and regulatory risk	Changes are frequently made to superannuation law, which may affect your ability to access your investments. Changes can also occur in the taxation of superannuation, which may affect the value of your investment.

Other important information

Derivatives

Some of the investment options available in Asgard Pension/Super may use derivatives as part of their investment strategy. Derivatives are investments whose value is derived from other assets, such as shares, and may be used as part of the portfolio management process. Futures contracts and options are examples of derivatives.

Derivatives may be used to reduce risk and can act as a hedge against adverse movements in a particular market and/or in the underlying asset. Derivatives can also be used to gain exposure to assets and markets. While derivatives offer the opportunity for significantly higher gains from a smaller investment (because of the effective exposure obtained) they can also produce significantly higher losses, sometimes in excess of the amount invested.

The investment managers are required to have strict policies and procedures on the use of derivatives and generally are not permitted to use derivatives to gear the investment option unless otherwise stated.

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 2021:

- you won't have additional tax deducted from employer contributions made to your account during the 2020/21 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 (2018/19, 2019/20, 2020/21).

Closed accounts

If you close your Super/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.

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'.

Professional indemnity insurance

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

Other important information

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.

We are permitted under, and rely on, the *Australian Securities and Investments Commission (ASIC) relief under ASIC Corporations (Unclaimed Superannuation – Former Temporary Residents) Instrument 2019/873*, 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 2001*, 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

Delivering on our service promise

We're constantly striving to provide the best possible service, and we'll do our best to resolve any concern you have efficiently and fairly.

Our commitment to you

If you're ever unhappy about something we've done – or perhaps not done – please give us the opportunity to put things right.

Our aim is to resolve your complaint within 5 business days, and where possible we will resolve your complaint on the spot. If we need some additional time to get back to you, we will let you know. Should we be unable to resolve your concern at your first point of contact, we will then refer the complaint to our dedicated Customer Managers in our Customer Solutions team.

Our Customer Solutions Customer Managers are here to find a solution for you and will ensure that you're regularly updated about the progress we are making to resolve your complaint.

You can contact us:

Over the phone Please call us from anywhere in Australia on 1800 998 185. If you are overseas, please call +612 9155 4010.

By post PO Box 7490
Cloisters Square WA 6850

Online Using the secure feedback form at secure.bt.com.au/contact-us/contact-asgard.asp

For further information go to our website and search 'Feedback and Complaints'.

If you are still unhappy

If you are not satisfied with our response or handling of your complaint, you can contact the external dispute resolution scheme, the Australian Financial Complaints Authority (AFCA).

Australian Financial Complaints Authority

The Australian Financial Complaints Authority (AFCA) provides a free and independent service to resolve complaints by consumers and small businesses about financial firms (e.g., banks), where that complaint falls within AFCA's terms of reference. The contact details for AFCA are set out below.

Australian Financial Complaints Authority

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Post: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Financial information

Asgard Independence Plan - Division 2 Statement of financial position as at 30 June 2021

	As at 30 June 2021	As at 30 June 2020
	\$'000	\$'000
Assets		
Cash and cash equivalents	1,399,493	1,118,478
Unsettled sales	49,550	43,587
Accrued income	5,801	4,588
Receivables	55,654	3,722
Financial assets held at fair value through profit or loss	21,684,335	19,708,838
Other assets	4,639	-
Deferred tax assets	-	27,090
Total assets	23,199,472	20,906,303
Liabilities		
Payables	85,580	49,828
Income tax payable	85,405	40,983
Deferred tax liabilities	113,461	-
Total liabilities (excluding member benefits)	284,446	90,811
Net assets available for member benefits	22,915,026	20,815,492
Member benefits	22,880,378	20,788,402
Total net assets	34,648	27,090
Equity		
Unallocated benefits/(deficits)	34,648	27,090
Total equity	34,648	27,090

This annual report contains unaudited abridged financial information for the financial year ended 30 June 2021 for the Asgard Independence Plan - Division 2 (the Fund). The Fund's audited Financial Statements and Auditor's Report are available upon request by contacting us on 1800 998 185.

Financial information

Asgard Independence Plan - Division 2 Income statement for the year ended 30 June 2021

	Year ended 30 June 2021	Year ended 30 June 2020
	\$'000	\$'000
Superannuation activities		
Interest income	12,684	33,269
Dividend income	39,295	43,716
Distribution income	834,679	754,685
Net gains/(losses) on financial instruments held at fair value through profit or loss	2,870,758	(1,285,739)
Other income	20,438	18,986
Total net income	3,777,854	(435,083)
Trustee's fees and administration expenses	81,387	94,733
Cash administration and custody fees	6,422	13,124
Other expenses	9,658	10,482
Total expenses	97,467	118,339
Profit/(loss) from superannuation activities before income tax	3,680,387	(553,422)
Income tax expense/(benefit)	145,634	(65,370)
Profit/(loss) from superannuation activities after income tax	3,534,753	(488,052)
Less: net benefits allocated to members' accounts	(3,534,753)	488,052
Profit/(loss) after income tax	-	-

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Asgard Independence Plan - Division 2
Statement of changes in member benefits for the year ended 30 June 2021

	Year ended 30 June 2021	Year ended 30 June 2020
	\$'000	\$'000
Opening balance of member benefits	20,788,402	22,934,010
Employer contributions	565,151	582,903
Member contributions	371,348	380,365
Transfers from other funds	545,552	683,221
Superannuation co-contributions	3,135	3,657
Income tax on net contributions	(93,583)	(76,378)
Net after tax contributions	1,391,603	1,573,768
Benefit payments	(2,876,216)	(3,040,485)
Insurance premiums charged to members' accounts	(104,049)	(114,212)
Insurance benefits credited to members' accounts	43,632	55,325
Adviser fees	(104,146)	(110,910)
Refund of adviser fees (includes loss of earnings)	213,957	6,048
Net benefits allocated to members' accounts, comprising:		
Net benefits allocated to members' accounts	3,534,753	(488,052)
Transfer from/(to) unallocated benefits	(7,558)	(27,090)
Closing balance of member benefits	22,880,378	20,788,402

Asgard Independence Plan - Division 2
Statement of changes in equity for the year ended 30 June 2021

	Year ended 30 June 2021	Year ended 30 June 2020
	\$'000	\$'000
Unallocated benefits/(deficits)		
Opening balance	27,090	-
Net transfers to/(from) unallocated benefits	7,558	27,090
Closing balance	34,648	27,090

The net assets attributable to defined contribution members have been substantially allocated, except for the following:

- As at 30 June 2021 a refund of adviser fees receivable by the Plan (unallocated benefits: \$18,079,000) and timing in recognition of tax liabilities and income and expenses accruals (unallocated benefits: \$16,569,000).
- As at 30 June 2020 a deferred tax assets recognised by the Plan (unallocated benefits: \$27,090,000).

The unallocated amounts are shown in the statement of financial position as "Unallocated benefits/(deficits)" within equity and in the statement of changes in equity, and movements are shown in the statement of changes in member benefits.

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For more information

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Asgard

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