

# StatePlus Retirement Fund Annual Report 2018



Michelle and Geoff  
StatePlus clients

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Fred  
StatePlus client



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STATEPLUS RETIREMENT FUND

STATE SUPER FINANCIAL SERVICES AUSTRALIA LIMITED TRADING AS STATEPLUS (ABN 86 664 654 341) COMPRISES THE FOLLOWING:

StatePlus Personal Retirement Plan	USI SSI0017AU
StatePlus Allocated Pension Fund	USI SSI0009AU
StatePlus Term Allocated Pension Fund	SSI0014AU
StatePlus Tailored Super Plan	USI 86664654341001
StatePlus Flexible Income Plan	USI 86664654341002



## Chairman's Report

It's been a year of strong progress for StatePlus. In the financial year 2018, one of our key priorities was to integrate the businesses of StatePlus and First State Super Financial Services, bringing together the best both organisations have to offer in the provision of quality advice, superannuation and retirement solutions for our clients.

This successful combination of our financial planning businesses makes advice available to you in more locations across Australia. As a StatePlus client, you now have access to more than 220 financial planners in our 44 offices. You can also make an appointment to meet with a planner in 115 other locations in New South Wales, ACT, Victoria, Queensland and Western Australia.

Integrating two businesses has considerable challenges, and it's been really pleasing to see how the cultures of our two organisations are so clearly complementary, how the values of both our organisations place our clients at the heart of everything we do.

September 2017 marked a milestone in our history. We launched a new system based on the very latest in digital capability and technology, including a new secure website that brings you more services and even higher levels of security.

In late 2017 StatePlus identified that some clients who were entitled to ongoing advice have paid for services which were not provided. This was a failure on our part, for which we sincerely apologise. Since then we have been reviewing each client's situation and where we have identified clients who have not received the appropriate service from us, we have refunded them accordingly.

We are continuing to undertake a comprehensive review of our records, and the Board and I have been closely monitoring this process to ensure that all affected clients are identified and refunded as soon as possible. We have also put in place new processes to ensure that in future, our clients receive ongoing services in a timely way.

The Board of StatePlus remains committed and proactive in the ongoing development of an organisational culture that acknowledges and addresses mistakes when they occur and which continuously improves processes and services.

The impact of the Royal Commission into the banking, superannuation and financial services has been felt across the industry. We believe the Royal Commission will help build greater certainty and transparency for everyone.

I am very grateful to our Board who are unwaveringly committed to high standards of corporate integrity and to our Management team who so diligently strive to deliver to you a service you can trust.

On behalf of the Board, Executive and staff of StatePlus, thank you for putting your confidence in us to partner with you in your retirement journey.



Best wishes

  
**Neil Cochrane**

## Company News



*The financial year 2017-18 was one of growth and progress for StatePlus. Throughout the year we have remained focused on our core goal, which is to provide our clients with financial security for retirement.*

In the first six months, global financial markets had a smooth ride before volatility set in at the start of 2018. Investment returns were generally positive over the year. Global share markets performed well, while fixed income markets had a year of low, but still positive returns. In this environment, our investment team remained focused on balancing risk and return, and our financial planners continued to work with clients to stay focused on our long-term strategy of investing for income through retirement.

We're pleased to report that we're continuing to grow, with \$19 billion in funds under management as at 30 June 2018. During the year, we:

- Launched a new StatePlus secure website and new systems and process
- Brought together our financial planning teams of StatePlus and First State Super
- Opened new offices in the Sydney region

### Managing your finances is now easier

The launch of our new secure website and a new technology system in September 2017 was a momentous event in the history of StatePlus. It marked the culmination of several years of research and development to bring you the latest in digital technology and capability.

Our new secure website provides you with more online services and higher levels of security. It means faster response times, less paperwork and more flexibility for you.

However, as is often the case with the implementation of a major technology system, we encountered some issues following the launch. It's been absolutely our top priority to rectify any issues identified as promptly as possible, and we'd like to thank you for your patience as we worked to resolve them.

Of course if you prefer to not use our online services, you can always continue to engage with us on the phone, by mail or in person.

### Key highlights



#### With the secure website, you can:

- Securely transact on StatePlus investments
- Manage pension payments online
- Securely view your StatePlus correspondence
- Access Centrelink schedules
- Generate reports anytime you want
- Use a digital e-signature



**More than 39,000**, or almost two-thirds of our clients, have registered for the secure website and are experiencing the benefits of flexibility and convenience



**Rebalancing the portfolio** and **moving funds** from one StatePlus product to another are among some of the most popular transactions done online.

## Company News

# More offices, closer to you

← Perth



## Access to financial advice in more locations

June 2018 marks two years since the acquisition of StatePlus by First State Super and this year, we successfully integrated the financial planning businesses of both organisations.

You'll now have access to more than 220 financial planners over the phone and face-to-face, in 44 locations across Australia. Our network has now expanded to 26 offices and 18 appointment locations across New South Wales, ACT, Victoria, South East Queensland and Perth. You'll also be able to make an appointment to meet with a planner in 115 other locations.

Over the coming months, as we build services, you may see both the StatePlus and First State Super brands in the office in your local area.

Both organisations are deeply connected in their common values and aspirations and together, we aim to provide the highest-quality professional service and trusted financial advice to you and your families.

*Our new office at Chatswood  
has modern facilities and a  
dedicated work area  
for clients to use.*

## We've opened new offices in Sydney

We're expanding in the Sydney region and are pleased to announce we've opened two new suburban offices, in Chatswood and Gymea. Our new offices have modern facilities and allow for walk-in visits from clients. We've selected these locations so we can better service our clients in more locations, closer to where they live.

We've closed one of our offices in the Sydney CBD, at Pitt Street, as its lease was expiring, but clients who would like to continue attending appointments in the CBD now have the option of an additional city location at 155 Clarence Street.



## Your Trustees



### › Neil Cochrane

#### **Chairman of the Board**

#### **Member of the Human Resources Committee**

In a career spanning 38 years in financial services, Neil's previous roles have included Deputy CEO and Global Head of Business Development at Colonial First State Global Asset Management (CFSGAM); CEO of the Retail Employees Superannuation Trust (REST) and CEO of Southern Asset Management in South Africa.

In addition, Neil has held several non-executive roles within the retail banking, investment management and trust industries.

He has previously chaired the Superannuation Complaints Tribunal Advisory Council, was a Director of the Association of Superannuation Funds of Australia (ASFA) and has been an independent adviser to Auscoal Superannuation (now Mine Wealth + Wellbeing).



### › Mark Lennon

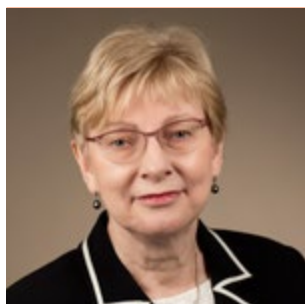
#### **Chair of the Human Resources Committee**

#### **Member of the Investment Committee**

Mark was Secretary of Unions NSW between 2008 and 2015 and previously held a number of positions including Assistant Secretary, Training Officer, Industrial Officer and Executive Officer.

His responsibilities at Unions NSW have included industrial and political work in the areas of railways, electricity, health, industrial legislation, occupational health and safety, forestry and superannuation.

Mark is a former director of Asset Super and Chifley Financial Services.



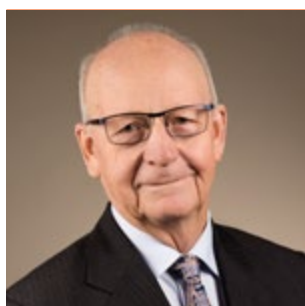
### › Sue Carter

#### **Member of the Audit, Risk and Compliance Committee**

Sue is an Australian Institute of Company Directors Core Facilitator in directors' duties, financial reporting, decision-making and board processes.

Sue is a past ASIC Regional Commissioner for Victoria and past director of the Professional Indemnity Insurance Company Australia and Treasury Corporation of Victoria.

Sue qualified as a Chartered Accountant with KPMG in the UK.



### › John Warburton

#### **Chair of the Audit, Risk and Compliance Committee**

John's executive career spanned 25 years during which time he held a number of senior positions including 12 years spent as CFO and then CEO of specialist insurer OAMPS Limited.

For the last 22 years he has acted as a professional director with a number of appointments in both the private and public sector.

Past roles include director and chair of Vision Super, chairman of Tandou Limited, deputy chair of Victorian Managed Insurance Authority, trustee of Melbourne Convention & Exhibition Trust and Chairman of Australian Wealth Management Limited.



### › Trevor Carr

#### **Member of the Investment Committee**

Trevor has built an extensive career in governance, policy evaluation and advocacy, and the operation of public healthcare and aged care services.

Trevor has been directly involved with health service and aged care provider boards for more than 30 years and was formerly CEO of Leading Age Services Australia Victoria (LASA Victoria). LASA National is now the peak body for aged care in Australia, and the united voice for providers and other organisations associated with aged and community care.

Previously, Trevor was Chief Executive Officer of the Victorian Healthcare Association (VHA), a position he held for eight years.



## Your Trustees

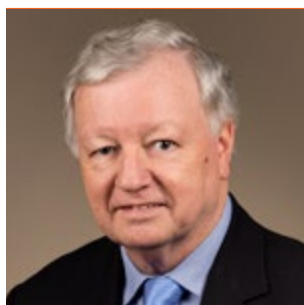


### › Roslyn Ramwell

#### **Member of the Human Resources Committee**

Roslyn is a professional company director in the financial services sector. She has served on Investment, Remuneration and Audit, Risk and Compliance board committees. She has over 25 years' experience in superannuation in both the private and public sector, including a number of years with the Insurance and Superannuation Commission (now APRA). She was the CEO of the Harwood Superannuation Fund, a complex defined benefit corporate fund, for 12 years.

Roslyn is a Life Member of the Association of Superannuation Funds of Australia (ASFA) and was a director for 12 years. She is an ASFA Accredited Investment Fiduciary and a Trustee Fellow.



### › Michael Rice

#### **Chairman of the Investment Committee**

#### **Member of the Audit, Risk and Compliance Committee**

Michael specialises in providing strategic advice to financial institutions, fund managers, government agencies, industry associations and large superannuation funds. Michael is the Chief Executive Officer of Rice Warner, which he founded in December 1987. Michael heads up Rice Warner's public policy work.

Michael has undertaken pioneering research into Age Pension dependency and trends. He has a keen interest in the integration of social security and superannuation as well as measuring the adequacy of retirement incomes.

He was Chairman of QSuper's Investment Committee from January 2009 to June 2013 and remained an independent investment expert on the committee until March 2016. He is a former Councillor of the Actuaries Institute.

Michael is also a member of the Advisory Board of the ANU College of Business and Economics

## Our Custodian

We have appointed an independent organisation as custodian to hold all of the Funds' assets. The current custodian is:

State Street Australia Ltd  
ABN 21 002 965 200  
Level 14  
420 George Street  
Sydney NSW 2000

State Street Australia Ltd is part of State Street Corporation which is one of the world's leading providers of financial services to institutional investors, including investment servicing, investment management and investment research and trading. With US\$33.1 trillion in assets under custody and administration, as of 31 December 2017, State Street operates in more than 100 geographic markets worldwide, including the US, Canada, Europe, the Middle East and Asia.

## Performance of the Funds

### RETURNS OF THE FUNDS for the period ending 30 June 2018 (Net of fees and taxes)

#### StatePlus Personal Retirement Plan

##### Returns of the Funds - Years ended 30 June 2018 (net of all fees and taxes)

	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr	Since inception	Inception Date
% pa								
Cash	1.0	1.1	1.1	1.3	1.7	2.2	3.6	16/04/1990
Fixed Interest	1.0	1.0	1.9	2.8			3.4	20/07/2011
Capital Stable	3.2	3.3	3.2	3.5	3.7	3.9	5.4	19/04/1990
Moderate	4.0	4.0	3.9	5.0			5.4	20/07/2011
Balanced	5.0	5.2	4.6	6.3	6.5	5.3	6.4	22/04/1990
Growth	7.0	7.1	5.5	8.1	8.3	5.9	5.5	10/05/1997
Growth Plus	8.1	8.8	6.4	9.4			9.2	20/07/2011
Australian Equities	8.9	10.1	7.4	8.7			8.9	18/07/2011
International Equities	10.7	11.7	7.6	11.3			11.8	26/07/2011

#### StatePlus Allocated Pension Fund and Term Allocated Pension Fund

##### Returns of the Funds - Years ended 30 June 2018 (net of all fees and taxes)

	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr	Since inception	Inception Date
% pa								
Cash	1.0	1.1	1.3	1.5	1.9	2.5	3.8	29/01/1994
Fixed Interest	1.3	1.2	2.4	3.2			3.8	18/07/2011
Capital Stable	3.6	3.7	3.7	3.9	4.2	4.5	5.2	25/01/1994
Moderate	3.6	4.0	4.1	5.4			5.8	20/07/2011
Balanced	5.0	5.5	4.9	6.9	7.1	5.9	6.2	25/01/1994
Growth	6.5	7.3	5.8	8.7	8.7	6.4	6.3	10/05/1997
Growth Plus	8.1	9.1	6.9	10.1			10.3	18/07/2011
Australian Equities	10.2	11.3	8.5	9.8			8.7	20/07/2011
International Equities	10.5	11.7	7.6	12.0			12.2	20/07/2011



## Performance of the Funds

### StatePlus Tailored Super Plan

#### Returns of the Funds - Years ended 30 June 2018 (net of all fees and taxes)

	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr	Since inception	Inception Date
% pa								
Cash	1.5	1.8	1.6	1.9	-	-	1.9	2/04/2013
Fixed Interest	1.7	2.9	2.6	3.4	-	-	3.0	2/04/2013
Capital Stable	3.9	4.0	3.9	4.1	-	-	3.9	2/04/2013
Moderate	4.0	5.0	4.4	5.5	-	-	5.3	2/04/2013
Balanced	5.4	6.0	5.1	6.9	-	-	6.8	2/04/2013
Growth	6.8	7.1	5.9	8.5	-	-	8.4	2/04/2013
Australian Equities	9.4	7.9	8.2	9.3	-	-	8.0	2/04/2013
International Equities	11.5	10.7	8.4	12.1	-	-	12.0	2/04/2013

### StatePlus Flexible Income Plan

#### Returns of the Funds - Years ended 30 June 2018 (net of all fees and taxes)

	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr	Since inception	Inception Date
% pa								
Cash	1.7	1.7	1.8	2.0	-	-	2.0	2/04/2013
Fixed Interest	2.0	1.8	3.0	3.9	-	-	3.4	2/04/2013
Capital Stable	4.3	4.4	4.4	4.6	-	-	4.4	2/04/2013
Moderate	4.3	4.7	4.8	6.1	-	-	5.8	2/04/2013
Balanced	5.7	6.2	5.6	7.6	-	-	7.2	2/04/2013
Growth	7.3	8.1	6.5	9.4	-	-	9.2	2/04/2013
Australian Equities	11.0	12.2	9.4	10.7	-	-	9.2	2/04/2013
International Equities	11.3	12.5	8.4	12.7	-	-	11.6	2/04/2013

The returns set out above are compound average annual returns and have been calculated after deducting fees and expenses payable by each Fund.

Returns are calculated based on the movement of a Fund's unit price over the relevant period.

Past performance is not a reliable predictor of future investment returns. Markets can be volatile and can move rapidly up and down.

These performance returns do not take into consideration your individual transactions and therefore, may not fully reflect your investment experience.

### Inflation

	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr
%						
CPI	1.8	2.0	1.8	2.0	2.0	2.2

## Important Information About Your Super

### Changes to super effective 1 July 2018

1 July 2017 saw the introduction of a number of changes to super, including the \$1.6 million Transfer Balance Cap (TBC) which limits the amount of funds that can be transferred into a retirement pension. Introduced at the same time was the Total Superannuation Balance (TSB) which places restrictions on the eligibility for making non-concessional (after-tax) contributions. Further changes came into effect on 1 July 2018 and these are outlined below.

#### First home super saver (FHSS) scheme

The Government introduced the First Home Super Saver (FHSS) scheme to help Australians boost their savings for their first home by allowing them to build a deposit inside superannuation. The FHSS scheme applies to voluntary superannuation contributions, such as salary sacrifice or personal contributions, of up to \$15,000 per year and \$30,000 in total made from 1 July 2017. These contributions, along with deemed earnings can now be withdrawn for a home deposit from 1 July 2018. Concessional (pre-tax) contributions are taxed at 15% and if withdrawn as part of the FHSS scheme will be taxed at the individual's marginal tax rates less a 30% offset.

#### Home proceeds downsizer contribution

The Government has introduced a measure to reduce barriers for older Australians to downsize from homes that no longer meet their needs by allowing them to contribute some of the proceeds of selling their homes into superannuation. From 1 July 2018, people aged 65 and over are able to make a non-concessional (post-tax) contribution into their superannuation of up to \$300,000 from the proceeds of selling their home. Existing contribution caps and restrictions do not apply to this downsizer contribution at the time of contribution, but the \$1.6 million transfer balance cap and Age Pension means test continue to apply and it counts towards total superannuation balance tests in later years. The measure applies to homes held for a minimum of ten years, and both members of a couple can take advantage of it.

#### Concessional contributions carry-forward

Commencing 1 July 2018, in order to assist individuals who have had a break from the workforce, any unused concessional contribution cap amounts can be carried forward on a rolling five year basis if your total superannuation balance is under \$500,000 as at the end of the preceding financial year.

### Proposed changes to your super

In addition to the super changes that have commenced since 1 July 2017 and 1 July 2018, there are further proposals that, if made law, could have an impact on your retirement savings. It is important to note that these proposals may not become law or may be amended before coming into effect. For more information on the proposed changes, please visit [treasury.gov.au](http://treasury.gov.au) or talk to your financial planner.

#### Flexibility to contribute to super

The work test is a requirement for people aged 65 or over (but under 75) to work at least 40 hours in a 30-day period if they want to make voluntary super contributions. Currently the 40-hour work test must be met during the financial year in which you make the super contribution. However, From 1 July 2019, the Government proposes to give older Australians more flexibility in how they make voluntary super contributions close to retirement, by allowing individuals aged 65 to 74 with a total superannuation balance below \$300,000 to contribute for an additional 12 months after the end of the financial year in which they last met the work test.

#### Protection low balance super savings

The Government proposes a group of measures aimed at helping Australians consolidate lost super and protecting against certain types of fees and insurance arrangements. These measures aim to make it easier and more affordable for people to actively choose their own super fund and consolidate multiple accounts, as well as minimise savings being eroded by fees and insurance premiums on low account balances, which can make it difficult to grow or even maintain savings. These proposals include that:

- From 1 July 2018, all inactive super accounts with balances less than \$6,000 to be transferred to the Australian Taxation Office (ATO). The ATO will attempt to identify and consolidate inactive accounts with active accounts through data matching.
- Passive fees on accounts with balances less than \$6,000 to be capped at 3% per annum.
- Exit fees on super accounts to be abolished.
- From 1 July 2019, insurance in super to change so that certain groups of people will have to actively choose to take the insurance offered.

## Investment Management



### How do we manage your money in the unitised Funds?

Investment management is outsourced to FSS Trustee Corporation who utilise a multi-manager investment approach in which most of the assets of the unitised Funds are typically managed by external specialist investment managers, either directly or through a series of discrete investment trusts, of which we are the trustee. We regularly monitor the investment performance of each unitised Fund and the investment mandates of the investment managers. We may change investment managers from time to time without notice to you. The managers active as at 30 June 2018 are shown on page 14. You can find the current list of investment managers by going to [stateplus.com.au/fundmanagers](http://stateplus.com.au/fundmanagers).

The assets you will have exposure to will depend on the unitised Fund(s) you choose to invest in.

### Strategic asset allocation

Each Fund has a medium to longer term target allocation of assets between the asset classes (called the strategic asset allocation for the Fund), based on the investment objective (goal) of that Fund. We may review and vary a Fund's strategic asset allocation or asset allocation range from time to time, consistent with the investment objective of each Fund without notice to you. However, the strategic asset allocation will generally be within the asset allocation range. We regularly review the assets associated with each Fund and, where necessary, take steps to buy and sell assets to maintain each Fund around its strategic asset allocation, as adjusted by any strategic tilt (see below).

We regularly review and update the strategic asset allocation of each fund. The aim of these reviews is to ensure we have the right mix of assets to achieve the objectives of each individual fund.

The strategic asset allocation and asset allocation range of the Funds in force at any particular time is available on the StatePlus website ([stateplus.com.au/investmentoptions](http://stateplus.com.au/investmentoptions)) or you can obtain a copy without additional charge from your financial planner.

### Strategic tilting

The short to medium term target asset allocations of the Funds in place at any particular time may vary from the target allocation. This is because we have adopted a strategic tilting approach to target asset allocations. When opportunities arise due to market movements, we may make changes to the target asset allocation of one or more Funds with the intention of improving the Fund's ability to meet its performance and risk objectives. Strategic tilts are generally in place for the short to medium term, and must be consistent with the investment objective and investment strategy for a Fund.

In some circumstances, the asset allocation may be moved outside the asset allocation ranges. Typically, this would be expected to occur where we deem it necessary to respond to market movements.

Strategic tilting can be applied across, or within, asset classes and may also apply to the proportion of international asset exposure that is hedged back to Australian dollars.

The medium to longer term strategic asset allocation remains unchanged when a strategic tilt is in place. When a strategic tilt ends, the target allocation of assets of a Fund returns to the strategic asset allocation.

The tables on pages 17 to 25 setting out the asset allocations for each Fund represent the asset allocations of the Funds as at 30 June 2018.

Strategic tilts may be implemented from time to time and without prior notice.



## Investment Management

### How is currency exposure managed?

When investing in overseas assets such as International Equities or International Fixed Interest, returns are impacted by changes in asset values, as well changes in the asset's exchange rate. We may hedge some of the currency exposure back to Australian dollars in order to manage risk or enhance returns.

On each Fund profile shown on pages 17 to 25 we show the target currency exposure and range of currency exposure as a percentage. The percentage of currency exposure refers to the proportion of assets in a fund that is subject to foreign exchange rate movements. The remainder of the fund is either hedged back to, or denominated in, Australian dollars. For example if a fund has currency exposure of 15% then 85% of the fund is hedged back to, or denominated in, Australian dollars.

We will change the currency exposure over time with the intention of improving the Fund's ability to meet its performance and risk objectives.

### Derivatives

Derivatives are contracts between two parties providing for a payoff from one party to the other based on the price of a reference asset (e.g. a share price index). Derivatives may be used to manage risk. For example you may use derivatives to hedge exposure to assets denominated in a foreign currency. Derivatives may be used to gain exposure to assets more cost effectively than buying and selling directly (e.g. when transitioning a portfolio to a new investment manager or undertaking a strategic tilt). Derivatives can also be used to enhance returns from certain market movements. This can include leveraging your exposure to an asset or synthetically selling an asset you do not own with the aim of profiting from a fall in price of the asset often termed "short selling".

### Responsible investment

We recognise that we must be mindful of the 'footprint' our investments make in markets, communities and on the environment, and uphold the goals of sustainable growth and well-functioning investment markets. Our view is that sustainability is central to our role as long-term investors, and the actions we take today should not compromise the outcomes received by investors tomorrow. We strive to preserve intergenerational equity with all our investment decisions. We continue to adapt our actions to try to directly enhance the value of the Funds.

We recognise that poor management of long-term Environmental, Social and Governance (ESG) related risks by a company not only impacts our investments but can potentially harm the broader community and environment as well. By reducing value-destroying practices across markets we indirectly seek to help the whole economy move toward a more prosperous and sustainable future.

ESG considerations are integrated into StatePlus's investment activities from investment selection and due diligence, to ownership activities such as monitoring our external investment managers, exercising our voting rights and engaging with companies to improve their ESG policies and practices.

We allow our investment managers some flexibility to determine the manner in which ESG considerations are implemented and have no pre-determined views regarding what constitutes environmental, social or ethical matters or how (or the extent to which) these matters should be incorporated into investment decisions, except as disclosed below.

We are a signatory to the United Nations Principles of Responsible Investing (UNPRI) whose principles promote sustainable investment and provide a framework for institutional investors to consider the impact of these issues in their investment decisions.

We exclude direct investment in companies involved in the manufacture of tobacco and cigarettes from all our Funds. The Funds may have an immaterial, indirect exposure to tobacco companies. However, the exposure is regularly monitored to ensure that it remains immaterial and does not exceed the limit agreed by us.

The outcomes of Proxy Voting activities are available on the website ([stateplus.com.au/esg](http://stateplus.com.au/esg)). You can read our ESG policy on our website ([stateplus.com.au/esg](http://stateplus.com.au/esg)) or you can obtain a copy without additional charge from us.

## Investment Management

The key to StatePlus' investment approach is disciplined monitoring and researching of our current investment managers and potential new managers who may provide a more competitive, long-term investment outcomes aligned to the needs of our clients. Research confirms that past performance is a poor predictor of future investment performance so we focus on many factors to assess a fund manager's overall capabilities. For example, we make regular formal reviews of our managers where we set the agenda for discussion and probe for any weaknesses in investment approach.

Sector Trust	Manager
Cash	BlackRock Investment Management (Australia) Limited
Fixed Rate Notes	Deutsche Bank AG
Alternatives	AQR Capital Management Standard Life Investments 36 South Capital Advisors LLP Invesco Perpetual GSA
Australian Fixed Interest	Vanguard Investments Australia Limited Challenger Limited Aberdeen Asset Management Limited Perpetual Limited Deutsche Bank AG
International Fixed Interest	Vanguard Investments Australia Limited
Property	DEXUS Property Group EG Funds Management Charter Hall Group AMP Capital Macquarie Funds Group
Credit Income	Oaktree Capital Management LP Ares Management LP Alcentra Deutsche Bank AG
Infrastructure	Maple-Brown Abbott QIC
Australian Equities	Dimensional Fund Advisors Investors Mutual Limited Plato Investment Management Acadian Investment Management LLC, Fidelity Worldwide Investment BlackRock Investment Management (Australia) Limited
International Equities	Schroder Investment Management Limited Walter Scott & Partners Limited Pareto Investment Management Limited Acadian Asset Management LLC, Aberdeen Asset Management Limited Epoch Investment Partners, Inc Macquarie Funds Group BlueBay Asset Management BlackRock Investment Management (Australia) Limited Russell Investments Limited

Investment Management

Large assets

Table 1 show all the entities that in aggregate represented more than 5% of the Fund as at 30 June 2018. These includes all types of exposure to the entity e.g. shares, fixed interest securities or derivatives.

Table 1

Entity	Aggregate exposure
Government of Australia	12.21%
Macquarie Multi-factor Fund	6.02%



## Investment Management

### Note

The investment information below is accurate as at 30 June 2018. Please refer to the StatePlus website and Your Fund Update for the latest news and information.

### Investment options

You can choose to invest in one, or a combination of investment options (called Funds). The Funds available in each product are outlined in the table below. Each Fund has a different investment objective (goal) and strategy (way of achieving its goal). Each invests in different kinds of assets, with the mix of assets depending on the objectives of each Fund. There is a risk that your investment in a Fund will fall in value from time to time – the level of this risk varies with the objective, strategy and asset mix of the Fund. We recommend that you consult your financial planner prior to amending your allocation between the Funds.

	Allocated Pension Fund	Personal Retirement Plan	Term Allocated Pension	Flexible Income Plan	Tailored Super Plan
<b>Unitised Funds</b>					
Cash Fund	✓	✓	✓	✓	✓
Fixed Interest Fund	✓	✓	✓	✓	✓
Capital Stable Fund	✓	✓	✓	✓	✓
Moderate Fund	✓	✓	✓	✓	✓
Balanced Fund	✓	✓	✓	✓	✓
Growth Fund	✓	✓	✓	✓	✓
Growth Plus Fund	✓	✓	✓	X	X
Australian Equities Fund	✓	✓	✓	✓	✓
International Equities Fund	✓	✓	✓	✓	✓
<b>Non-unitised Funds</b>					
Fixed Term Fund	✓	✓	X	✓	✓
Fixed Payment Fund*	✓	X	X	✓	X

\*The Fixed Payment Fund was terminated on 20 August 2017

## Investment Management

### Cash Fund

Overall objective	To achieve rates of return consistent with the yield on the Bloomberg AusBond Bank Bill Index.		
Return objective <sup>1</sup>	To meet or exceed the returns of a cash benchmark before investment fees and taxes over rolling 12 month periods.		
Investment strategy	Primarily invests <sup>2</sup> in short term debt securities and term deposits with a maturity of less than one year. The short term debt securities are issued, guaranteed or otherwise supported by the Australian or State Governments of Australia (or their statutory authorities) or by Australian banks and authorised dealers in the short term money market. The term deposits are issued by Australian and international banks in Australian dollars and are not guaranteed by any Government entity. Investments may include futures, interest rate derivatives and other derivatives. These derivatives may be used to reduce risk or to increase or decrease market exposure.		
Type of investor this option is intended to be suitable for	Designed to suit investors who seek secure returns from cash.		
Actual Asset Allocation		30 June 2017 Asset Allocation	<b>30 June 2018 Asset Allocation</b>
	<b>Income Assets</b>		
	Cash	100%	<b>100%</b>
<p>1. The return objective is not a guarantee of performance. The actual return may vary up or down from the return objective stated. The current benchmark is the Bloomberg AusBond Bank Bill Index. This index may be substituted for a similar benchmark index consistent with the overall objective of the Fund</p> <p>2. Through discrete investment trusts.</p>			

## Investment Management

### Fixed Term Fund

Overall objective	To provide a fixed rate of return over the selected term with the initial investment paid at maturity.		
Investment strategy	Invests in fixed term and fixed rate interest bearing securities called Notes.		
Type of investor this option is intended to be suitable for	Designed to suit investors who wish to lock in a fixed rate of return for the selected term of the investment.		
Actual Asset Allocation		30 June 2017 Asset Allocation	<b>30 June 2018 Asset Allocation</b>
	<b>Income Assets</b>		
	Fixed Rate Notes	100%	<b>100%</b>

### Fixed Payment Fund<sup>1</sup>

Overall objective	To provide a fixed rate of return over the selected term with the initial investment paid monthly throughout the term.		
Investment strategy	Invests in fixed term and fixed rate interest bearing securities called Notes.		
Type of investor this option is intended to be suitable for	Designed to suit investors who wish to lock in a fixed rate of return for the selected term of the investment and who wish to have their initial investment repaid over that term.		
Actual Asset Allocation		30 June 2017 Asset Allocation	<b>30 June 2018 Asset Allocation</b>
	<b>Income Assets</b>		
	Fixed Rate Notes	100%	<b>n/a</b>

1. The Fixed Payment Fund was terminated on 20 August 2017



## Investment Management

### Fixed Interest Fund

Overall objective	To invest in fixed interest securities and related instruments, which aim to provide ongoing income and the potential for modest capital growth over the medium term. Capital gains can be expected to be achieved, but there is also the risk of capital loss.		
Return objective <sup>1</sup>	To meet or exceed the return of a blend of Australian fixed interest and Global fixed interest benchmarks before investment fees and taxes over rolling 3 year periods.		
Investment strategy	Primarily invests <sup>2</sup> in a broad range of Australian and overseas fixed interest investments. Investments may include currency, futures, interest rate derivatives and other derivatives. These derivatives may be used to reduce risk or to increase or decrease market exposure.		
Type of investor this option is intended to be suitable for	Designed to suit investors who wish to take moderate levels of risk with a modest potential for capital appreciation.		
Actual Asset Allocation		30 June 2017 Asset Allocation	<b>30 June 2018 Asset Allocation</b>
	<b>Income Assets</b>		
	Australian Fixed Interest	79.9%	<b>81%</b>
	International Fixed Interest	20.1%	<b>19%</b>
<p>1. The return objective is not a guarantee of performance. The actual return may vary up or down from the return objective stated. The current benchmark is 50% Bloomberg AusBond All Maturities Composite Bond Index, 30% Bloomberg AusBond Bank Bill Index + 0.75% and 20% Bank of America Merrill Lynch Global Broad Market (100% hedged). The benchmark index, including the split between Australian and Global benchmarks, may be substituted for a similar benchmark index consistent with the overall objective of the Fund without prior notice</p> <p>2. Through discrete investment trusts.</p>			

## Investment Management

### Capital Stable Fund

Overall objective	To maintain the value of investors' capital while achieving a higher rate of return over the medium term than could be achieved through investments in cash or short term money market securities. Capital gains can be achieved, but there is also the risk of capital loss. Accordingly, the value of investments in the Fund may fall as well as rise in line with the changing value of the assets of the Fund.		
Return objective <sup>1</sup>	<b>Tailored Super Plan and Flexible Income Plan</b>	<b>Personal Retirement Plan, Allocated Pension and Term Allocated Pension</b>	
	CPI +2.0% gross of tax <sup>3</sup> and net of investment fees over rolling three year periods.	CPI +1.25 % gross of tax <sup>3</sup> and net of investment fees over rolling three year periods.	
Investment strategy	Primarily invests <sup>2</sup> in a diversified portfolio of income and growth assets including (but not limited to) cash, fixed interest securities, property, listed and unlisted shares and infrastructure assets. To maintain a low risk profile exposure to growth assets is constrained. Investments may include currency, futures, interest rate derivatives, commodity derivatives, options contracts and other derivatives. These derivatives may be used to reduce risk or to increase or decrease market exposure.		
Type of investor this option is intended to be suitable for	Designed to suit investors who seek some capital growth over the medium term while at the same time maintaining a relatively high level of capital security.		
Actual Asset Allocation		30 June 2017 Asset Allocation	<b>30 June 2018 Asset Allocation</b>
	<b>Income Assets</b>		
	Australian Fixed Interest	51.2%	<b>50.3%</b>
	International Fixed Interest	0.0%	<b>0.0%</b>
	Cash	25.6%	<b>25.5%</b>
	Credit Income	1.6%	<b>1.7%</b>
	<b>Growth Assets</b>		
	Australian equities	7.0%	<b>7.1%</b>
	International equities	5.6%	<b>5.9%</b>
	Property	6.2%	<b>6.6%</b>
	Infrastructure	1.2%	<b>1.4%</b>
	Alternatives	1.6%	<b>1.5%</b>
	<b>Actual currency exposure</b>	7.2%	<b>5.9%</b>

1. The return objective is not a guarantee of performance. The actual return may vary up or down from the return objective stated

2. Through discrete investment trusts

3. Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

## Investment Management

## Moderate Fund

Overall objective	To invest in a broad range of asset classes which have the potential to achieve moderate capital growth over the medium to longer term. Capital gains can be expected to be achieved, but there is also the risk of capital loss.		
Return objective <sup>1</sup>	<b>Tailored Super Plan and Flexible Income Plan</b>	<b>Personal Retirement Plan, Allocated Pension and Term Allocated Pension</b>	
	CPI +3.0% gross of tax <sup>3</sup> and net of investment fees over rolling four year periods.	CPI +2.25% gross of tax <sup>3</sup> and net of investment fees over rolling four year periods.	
Investment strategy	Primarily invests <sup>2</sup> in a diversified portfolio of income and growth assets. Income Assets include fixed interest securities and cash. Growth assets, include Australian and overseas listed shares, property, infrastructure securities and alternative assets. Investments may include currency, futures, interest rate derivatives, commodity derivatives, options contracts and other derivatives. These derivatives may be used to reduce risk or to increase or decrease market exposure.		
Type of investor this option is intended to be suitable for	Designed to suit investors who seek capital growth over the medium term and are willing to accept a moderate level of risk.		
Actual Asset Allocation		30 June 2017 Asset Allocation	<b>30 June 2018 Asset Allocation</b>
	<b>Income Assets</b>		
	Australian Fixed Interest	43.1%	<b>42.1%</b>
	International Fixed Interest	6.8%	<b>6.8%</b>
	Cash	13.8%	<b>12.4%</b>
	Credit income	3.5%	<b>4.7%</b>
	<b>Growth Assets</b>		
	Australian equities	10.9%	<b>11.2%</b>
	International equities	9.1%	<b>9.3%</b>
	Property	6.1%	<b>7.0%</b>
	Infrastructure	2.8%	<b>2.9%</b>
	Alternatives	3.7%	<b>3.6%</b>
	<b>Actual currency exposure</b>	10.6%	<b>8.6%</b>

1. The return objective is not a guarantee of performance. The actual return may vary up or down from the return objective stated

2. Through discrete investment trusts

3. Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

## Investment Management

Balanced Fund			
Overall objective	To invest in a broad range of asset classes which have the potential to achieve capital growth over the longer term. Capital gains can be expected to be achieved, but there is also the risk of capital loss.		
Return objective <sup>1</sup>	<b>Tailored Super Plan and Flexible Income Plan</b>	<b>Personal Retirement Plan, Allocated Pension and Term Allocated Pension</b>	
	CPI +3.75% gross of tax <sup>3</sup> and net of investment fees over rolling five year periods	CPI +3.0 gross of tax <sup>3</sup> and net of investment fees over rolling five year periods	
Investment strategy	Primarily invests <sup>2</sup> in a portfolio of Australian and overseas investments including (but not limited to) Australian cash, fixed interest securities, property, unit trusts listed shares, and alternative assets. Investments may include currency, futures, interest rate derivatives, commodity derivatives, options contracts and other derivatives. These derivatives may be used to reduce risk or to increase or decrease market exposure.		
Type of investor this option is intended to be suitable for	Designed to suit investors who are seeking higher returns and are willing to accept a higher level of risk.		
Actual Asset Allocation		30 June 2017 Asset Allocation	<b>30 June 2018 Asset Allocation</b>
	<b>Income Assets</b>		
	Australian Fixed Interest	27.6%	<b>26.3%</b>
	International Fixed Interest	6.4%	<b>4.4%</b>
	Cash	9.9%	<b>10.6%</b>
	Credit income	4.9%	<b>6.7%</b>
	<b>Growth Assets</b>		
	Australian equities	21.0%	<b>21.2%</b>
	International equities	17.6%	<b>17.9%</b>
	Property	5.7%	<b>6.3%</b>
	Infrastructure	2.5%	<b>2.4%</b>
	Alternatives	4.5%	<b>4.2%</b>
	<b>Actual currency exposure</b>	16.8%	<b>16.5%</b>
<div>1. The return objective is not a guarantee of performance. The actual return may vary up or down from the return objective stated</div> <div>2. Through discrete investment trusts.</div> <div>3. Gross of tax means prior to tax being taken out and with the value of franking credits added back in.</div>			

## Investment Management

### Growth Fund

Overall objective	To invest substantially in assets which achieve capital growth over the long term (7 or more years). Capital gains can be expected to be achieved, but there is also the risk of capital loss.		
Return objective <sup>1</sup>	<b>Tailored Super Plan and Flexible Income Plan</b>	<b>Personal Retirement Plan, Allocated Pension and Term Allocated Pension</b>	
	CPI +4.0% gross of tax <sup>3</sup> and net of investment fees over rolling five year periods	CPI +3.25% gross of tax <sup>3</sup> and net of investment fees over rolling five year periods	
Investment strategy	Primarily invests <sup>2</sup> in a broad range of Australian and overseas investments with a strong bias on capital growth. Such investments include (but are not limited to) listed shares, property, alternative assets, interest bearing securities and deposits. Investments may include currency, futures, interest rate derivatives, commodity derivatives, options contracts and other derivatives. These derivatives may be used to reduce risk or to increase or decrease market exposure.		
Type of investor this option is intended to be suitable for	Designed to suit investors who wish to maximise long term investment returns and are willing to accept a higher level of risk than the Balanced Fund.		
Actual Asset Allocation		30 June 2017 Asset Allocation	<b>30 June 2018 Asset Allocation</b>
	<b>Income Assets</b>		
	Australian Fixed Interest	11.3%	<b>10.3%</b>
	International Fixed Interest	4.0%	<b>2.6%</b>
	Cash	6.8%	<b>7.0%</b>
	Credit income	5.5%	<b>6.7%</b>
	<b>Growth Assets</b>		
	Australian equities	32.2%	<b>32.2%</b>
	International equities	29.2%	<b>29.4%</b>
	Property	3.1%	<b>4.0%</b>
	Infrastructure	2.7%	<b>3.0%</b>
	Alternatives	5.2%	<b>4.8%</b>
	<b>Actual currency exposure</b>	26.1%	<b>25.6%</b>

1. The return objective is not a guarantee of performance. The actual return may vary up or down from the return objective stated

2. Through discrete investment trusts.

3. Gross of tax means prior to tax being taken out and with the value of franking credits added back in.



## Investment Management

### Growth Plus Fund<sup>1</sup>

Overall objective	To invest in assets which achieve capital growth over the long term (10 or more years). Capital gains can be expected to be achieved, but there is also the risk of capital loss.		
Return objective <sup>2</sup>	CPI + 3.5% gross of tax <sup>4</sup> and net of investment fees over rolling ten year periods		
Investment strategy	Primarily invests <sup>3</sup> in a broad range of high growth assets. Such investments include (but are not limited to) listed Australian and overseas shares, property, alternative assets and infrastructure securities. Investments may include currency, futures, interest rate derivatives, commodity derivatives, options contracts and other derivatives. These derivatives may be used to reduce risk or to increase or decrease market exposure.		
Type of investor this option is intended to be suitable for	Designed to suit investors who wish to maximise long term investment returns and are willing to accept a higher level of risk than the Growth Fund.		
Actual Asset Allocation		30 June 2017 Asset Allocation	30 June 2018 Asset Allocation
	<b>Income Assets</b>		
	Australian Fixed Interest	0.0%	<b>0.0%</b>
	International Fixed Interest	0.0%	<b>0.0%</b>
	Cash	9.3%	<b>3.3%</b>
	Credit income	6.7%	<b>6.2%</b>
	<b>Growth Assets</b>		
	Australian equities	36.9%	<b>40.5%</b>
	International equities	36.2%	<b>38.4%</b>
	Property	0.0%	<b>1.3%</b>
	Infrastructure	4.9%	<b>5.1%</b>
	Alternatives	6.1%	<b>5.2%</b>
	<b>Actual currency exposure</b>	28.0%	<b>29.5%</b>

1. The Growth Plus Fund is only available in the Personal Retirement Plan and the Allocated Pension Fund

2. The return objective is not a guarantee of performance. The actual return may vary up or down from the return objective stated

3. Through discrete investment trusts

4. Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

## Investment Management

### Australian Equities Fund

Overall objective	To invest in Australian equities with the aim of achieving capital growth over the long term (10 or more years). Capital gains can be expected to be achieved, but there is also the risk of capital loss.		
Return objective <sup>1</sup>	To meet or exceed the return of the benchmark over rolling five year periods gross of tax <sup>3</sup> and net of investment fees		
Investment strategy	Primarily invests <sup>2</sup> in Australian equities. Investments may include futures, options contracts and other derivatives. These derivatives may be used to reduce risk or to increase or decrease market exposure.		
Type of investor this option is intended to be suitable for	Designed to suit investors who wish to maximise long term investment returns and have a 100% exposure to Australian equities.		
Actual Asset Allocation		30 June 2017 Asset Allocation	<b>30 June 2018 Asset Allocation</b>
	<b>Growth Assets</b>		
	Australian equities	100%	<b>100%</b>

1. The return objective is not a guarantee of performance. The actual return may vary up or down from the return objective stated. The current Benchmark is the FTSE ASFA Australia 300 Tax Exempt Index. The benchmark index stated may be substituted for a similar benchmark index consistent with the overall objective of the Fund.

2. Through discrete investment trusts

3. Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

### International Equities Fund

Overall objective	To invest in international equities with the aim of achieving capital growth over the long term (10 or more years). Capital gains can be expected to be achieved, but there is also the risk of capital loss.		
Return objective <sup>1</sup>	To meet or exceed the return of the benchmark over rolling five year periods gross of tax <sup>3</sup> and net of investment fees.		
Investment strategy	Primarily invests <sup>2</sup> in international equities. Investments may include currency, futures, options contracts and other derivatives. These derivatives may be used to reduce risk or to increase or decrease market exposure.		
Type of investor this option is intended to be suitable for	Designed to suit investors who wish to maximise long term investment returns and have a 100% exposure to international equities.		
Actual Asset Allocation		30 June 2017 Asset Allocation	<b>30 June 2018 Asset Allocation</b>
	<b>Growth Assets</b>		
	Australian Equities	4.4%	<b>4.4%</b>
	International equities	95.6%	<b>95.6%</b>
	<b>Actual currency exposure</b>	73.5%	<b>75.5%</b>

1. The return objective is not a guarantee of performance. The actual return may vary up or down from the return objective stated. The current benchmark is 50% Bloomberg AusBond All Maturities Composite Bond Index, 30% Bloomberg AusBond Bank Bill Index + 0.75% and 20% Bank of America Merrill Lynch Global Broad Market (100% hedged). The benchmark index, including the split between Australian and Global benchmarks, may be substituted for a similar benchmark index consistent with the overall objective of the Fund without prior notice

2. Through discrete investment trusts

3. Gross of tax means prior to tax being taken out and with the value of the franking credits added back in.

## Investment Management

### Management Fees

The fees and charges applicable to each of the Funds comprising the Personal Retirement Plan, the Allocated Pension Fund, the Term Allocated Pension Fund, the Flexible Income Plan and the Tailored Super Plan

- calculated on the basis of the net asset value of each Fund at the end of each day and paid monthly; and
- reflected in the declared unit price each day.

Allocated Pension Fund and Personal Retirement Plan			
	Allocated Pension Fund	Personal Retirement Plan	Term Allocated Pension Fund
<b>Unitised Funds</b>			
Cash Fund	0.99% p.a.	0.99% p.a.	0.99% p.a.
Fixed Interest Fund	1.15% p.a.	1.15% p.a.	1.15% p.a.
Capital Stable Fund	1.30% p.a.	1.30% p.a.	1.30% p.a.
Moderate Fund	1.35% p.a.	1.35% p.a.	1.35% p.a.
Balanced Fund	1.40% p.a.	1.40% p.a.	1.40% p.a.
Growth Fund	1.50% p.a.	1.50% p.a.	1.50% p.a.
Growth Plus Fund	1.50% p.a.	1.50% p.a.	1.50% p.a.
Australian Equities Fund	1.50% p.a.	1.50% p.a.	1.50% p.a.
International Equities Fund	1.50% p.a.	1.50% p.a.	1.50% p.a.
<b>Non-unitised Funds</b>			
Fixed Term Fund	1.15% p.a.	1.15% p.a.	X
Fixed Payment Fund*	1.15% p.a.	X	X

\* The Fixed Payment Fund terminated in August 2017

Flexible Income Plan and Tailored Super Plan		
	Flexible Income Plan	Tailored Super Plan
<b>Unitised Funds</b>		
Cash Fund	0.39% p.a.	0.39% p.a.
Fixed Interest Fund	0.50% p.a.	0.50% p.a.
Capital Stable Fund	0.57% p.a.	0.57% p.a.
Moderate Fund	0.61% p.a.	0.61% p.a.
Balanced Fund	0.70% p.a.	0.70% p.a.
Growth Fund	0.77% p.a.	0.77% p.a.
Australian Equities Fund	0.77% p.a.	0.77% p.a.
International Equities Fund	0.77% p.a.	0.77% p.a.
<b>Non-unitised Funds</b>		
Fixed Term Fund	0.50% p.a.	0.50% p.a.
Fixed Payment Fund*	0.50% p.a.	X

\* The Fixed Payment Fund terminated in August 2017

## Additional Information

### About the StatePlus Retirement Fund

The Retirement Fund has four divisions:

- the Personal Retirement Division;
- the Tailored Super Division
- the Allocated Pension and Term Allocated Pension Division
- the Flexible Income Division

State Super Financial Services Australia Limited trading as StatePlus is the trustee of the Retirement Fund.

### Indemnity Insurance Cover

The Company maintains professional indemnity insurance against liabilities incurred as a result of a breach of duty as Trustee of the StatePlus Retirement Fund.

### Superannuation Contributions (Surcharge) Tax Liability

If the Company as Trustee of the Fund is notified of a superannuation contributions (surcharge) tax liability in respect of a member, in accordance with the PDS, we will redeem sufficient units to pay the superannuation contributions (surcharge) tax directly to the Australian Tax Office.

### Unclaimed Money

If you reach age 65 and are eligible to claim your super, no contribution or rollover has been received for you in the last two years, and we have had no contact with you for a period of five years after making reasonable efforts, your super becomes unclaimed money and must be paid to the Australian Tax Office (ATO). This process takes place every six months.

The super of a temporary resident will become unclaimed and payable to the ATO if:

- the temporary resident has departed Australia
- at least six months have passed
- the temporary resident is no longer a holder of a temporary, permanent or prescribed visa
- the temporary resident is not an Australian or New Zealand citizen and have not made a valid application for a permanent visa.

Relief from the Australian Securities and Investments Commission provides that we are not required to notify temporary residents or provide temporary residents with an exit statement where their benefit is paid to the ATO in these circumstances. Temporary residents who fail to claim their super when they depart, and consequently have unpaid super paid to the ATO, can later claim back their money at any time from the ATO.

To apply for any unclaimed benefits, contact:

The Australian Tax Office

Tel: 13 28 65

Website: [ato.gov.au/super](http://ato.gov.au/super)

## Additional Information

### Any Enquiries or Complaints?

We acknowledge that sometimes we can get things wrong, and when this happens we're determined to make them right again.

#### Talk to us

Most problems can be resolved quickly and simply by talking with one of our dedicated staff. If, for any reason, you are not satisfied with the response, you are entitled to make a complaint. We have established procedures to ensure all complaints are resolved in a fair and reasonable manner.

If you wish to make a complaint about any aspect of our products and services you can formally lodge your complaint via

**Telephone** 1800 620 305  
Business days  
8:15am to 8:15pm

**Email** [complaints@stateplus.com.au](mailto:complaints@stateplus.com.au)

**Mail** StatePlusGPO Box  
5336 Sydney  
NSW 2001

Once we receive your complaint, we will acknowledge your complaint and work with you to understand and promptly resolve the issue. If we do not resolve your complaint within the following specified timeframes (90 days for complaints in relation to decisions and conduct of the Trustee and 45 days for non-superannuation complaints (e.g. complaints relating to financial advice)), we will supply you with written reasons for the delay.

This service is provided to you at no additional cost.

#### External dispute resolution

If you are not satisfied with the outcome of the complaint or if we have not resolved your complaint within the relevant timeframe, you can contact the Australian Financial Complaints Authority (AFCA), the free dispute resolution scheme external to StatePlus.

Please note that before AFCA can investigate your complaint, they generally require you to have first provided us with the opportunity to address the complaint (i.e. you must first use our internal dispute procedures).

You may lodge a complaint with AFCA at:

#### Australian Financial Complaints Authority

**Telephone** 1800 931 678 (free call)

**Email** [info@afca.org.au](mailto:info@afca.org.au)

**Fax** +61 3 9613 6399

**Mail** Australian Financial  
Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

**Website** [afca.org.au](http://afca.org.au)

AFCA provides fair and independent financial services complaint resolution that is free to consumers. Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.



## Financial Information

The abridged Income Statement is set out below and the abridged Statement of Financial Position and Statement of Changes in Member Benefits for the Retirement Fund are set out on the following pages.

You should be aware that the Auditors have issued an unqualified Audit Report for the Financial Statements of the StatePlus Retirement Fund. Should you wish to obtain a full copy of the Financial Report including the Auditor's Report, you may do so by either:

- visiting our website at [stateplus.com.au/documents/annual-reports](http://stateplus.com.au/documents/annual-reports) and selecting the Retirement Fund Annual Report 2018; or
- calling your nearest office, and we will send you a copy free of charge.

### Abridged Income Statement for the Financial Year Ended 30 June 2018

	2018 \$'000	2017 \$'000
<b>INVESTMENT REVENUE</b>		
Interest and other income	8,041	18,268
Miscellaneous income	96	98
Distribution received	608,628	951,637
Realised gains/(losses) on disposal of investments	106,541	69,449
Change in net market value of investments	207,634	(70,798)
<b>NET INVESTMENT REVENUE</b>	<b>930,940</b>	968,654
<b>EXPENSES</b>		
Trustee fee	(159,062)	(154,496)
Other expense	(1,274)	(1,409)
<b>TOTAL EXPENSES</b>	<b>(160,336)</b>	(155,905)
<b>OPERATING RESULTS</b>	<b>770,604</b>	812,749
Net benefits allocated to defined contribution member benefits	(808,426)	(865,079)
<b>OPERATING RESULTS BEFORE INCOME TAX EXPENSE</b>	<b>(37,822)</b>	(52,330)
Income tax (expense)/benefit	40,119	54,796
<b>OPERATING RESULT AFTER INCOME TAX</b>	<b>2,297</b>	2,466

## Financial Information

### Abridged Statement of Financial Position for the Financial Year Ended 30 June 2018

	2018 \$'000	2017 \$'000
<b>ASSETS</b>		
Cash at bank and at call	-	7,254
Investments in unit trusts	17,694,847	16,941,480
Investments in unlisted notes	143,143	272,876
Distribution receivable	-	-
Interest receivable	-	-
Current tax asset	20,238	47,720
Deferred tax asset	-	-
Sundry debtors	3,858	2,665
Contributions receivable	-	463,358
<b>TOTAL ASSETS</b>	<b>17,862,086</b>	<b>17,735,353</b>
<b>LESS LIABILITIES</b>		
Creditors and accruals	238	34,698
Current tax liabilities	-	-
Deferred tax liabilities	15,923	20,863
Sundry debtors	-	451,373
<b>TOTAL LIABILITIES</b>	<b>16,161</b>	<b>506,934</b>
<b>NET ASSETS AVAILABLE FOR MEMBERS BENEFITS</b>	<b>17,845,925</b>	<b>17,228,419</b>
Defined contribution member liabilities	17,800,229	17,185,202
<b>TOTAL MEMBERS LIABILITIES</b>	<b>17,800,229</b>	<b>17,185,202</b>
<b>NET ASSETS</b>	<b>45,696</b>	<b>43,217</b>
<b>EQUITY</b>		
Operational Risk Financial Reserves	45,696	43,217
<b>TOTAL LIABILITIES FOR MEMBERS' BENEFITS</b>	<b>45,696</b>	<b>43,217</b>

## Financial Information

### Abridged Statement Of Changes In Member Benefits For The Financial Year Ended 30 June 2018

Defined contribution member benefits		
	2018 \$'000	2017 \$'000
<b>Opening balance</b>	<b>17,185,202</b>	16,194,485
Employer contributions	<b>66,231</b>	69,228
Member contributions	<b>851,533</b>	687,595
Transfers from other superannuation entities	<b>1,183,061</b>	1,278,313
Superannuation co-contributions	<b>751</b>	733
Income tax on contributions	<b>(14,912)</b>	(17,561)
<b>Net after tax contributions</b>	<b>2,086,664</b>	2,018,308
Benefits to members	<b>(2,279,881)</b>	(1,892,402)
<b>Reserve transferred to/(from) members:</b>		
- Operational risk reserves	<b>(182)</b>	(268)
<b>Net benefits allocated, comprising:</b>		
- Net investment income	<b>968,762</b>	1,020,984
- Net administration fees	<b>(160,336)</b>	(155,905)
<b>Closing balance</b>	<b>17,800,229</b>	17,185,202

### Operational Risk Financial Reserves

	2018 \$'000	2017 \$'000	2016 \$'000
Balance at the beginning of the financial year	<b>43,217</b>	40,483	38,789
Transfer from members' reserves	<b>182</b>	268	165
Unrealised Gains/(Losses) on ORR	<b>2,297</b>	2,466	1,529
Balance at end of the financial year	<b>45,696</b>	43,217	40,483

The above table details the movement of the Operational Risk Financial Reserve (ORFR) over a period of three consecutive years.

The ORFR has been established as an APRA requirement for registrable superannuation entities to maintain adequate financial resources to address losses arising from operational risks that may affect registrable superannuation entities within its business operations. In accordance with the relevant Trust Deed and within the parameters of the Superannuation Industry (Supervision) Act 1993 and Regulations, while referencing the APRA Prudential Standards, StatePlus is accumulating an ORFR within the Retirement Fund by way of 'deductions' from fund assets. The reserve remains an asset of the Retirement Fund. Amounts are determined and reserved in accordance with the StatePlus ORFR Policy. The target ORR is 0.25% of the Retirement Fund's funds under management.

The Retirement Fund has an ORFR of approximately 0.25% as at 30 June 2018 (0.25%: 2017).

## Directory

Client Administration Services	GPO Box 5336 Sydney NSW 2001	Canberra Leichardt St ACT	77 Leichhardt St, Kingston PO Box 4040 Kingston ACT 2604 Client Services: 02 6219 7255 Toll Free: 1800 620 305	Parramatta Phillip St NSW	Level 1, 90-92 Phillip St, Parramatta PO Box 966 Parramatta NSW 2124 Client Services: 02 8895 2355 Toll Free: 1800 626 000
Sydney 83 Clarence St NSW	Level 9, 83 Clarence St, Sydney GPO Box 5336 Sydney NSW 2001 Client Services: 02 9333 9555 Toll Free: 1800 222 211	Canberra Phillip Law St ACT	Level 9, Nishi Building 2 Phillip Law St New Acton ACT 2601 PO Box 725 Civic Square ACT 26008 Client Services: 02 6232 2155 Toll Free: 1800 620 305	Parramatta Cowper St NSW	36-46 Cowper St, Parramatta PO Box W214 Parramatta NSW 2150 Client Services: 02 8838 7355 Toll Free: 1800 620 305
Sydney 155 Clarence St NSW	155 Clarence St, Sydney PO Box R352 Royal Exchange NSW 1225 Sydney NSW 2000 Client Services: 02 8218 8655 Toll Free: 1800 620 305	Forest Hill VIC	504 Canterbury Road, Forest Hill PO Box 513, Brentford Square Forest Hill VIC 3131 Client Services: 03 8873 7455 Toll Free: 1800 620 305	Penrith NSW	Level 3, 331 High St, Penrith PO Box 1014 Penrith NSW 2751 Client Services: 02 4724 4855 Toll Free: 1800 102 700
Chatswood NSW	Shop 5, 28 Anderson St, Chatswood PO Box 380 Chatswood NSW 2057 Client Services: 02 9474 7555 Toll Free: 1800 620 305	Geelong VIC	164 Moorabool St, Geelong PO Box 4054 Geelong VIC 3220 Client Services: 03 5273 6355 Toll Free: 1800 620 305	Perth WA	Level 3, 197 St Georges Terrace, Perth PO Box 5657 Perth St Georges Terrace WA 6831 Client Services: 08 9214 4155 Toll Free: 1800 332 308
Gymea NSW	Shop 1, 748-750 Kingsway, Gymea PO Box 969 Gymea NSW 2227 Client Services: 02 9710 8755 Toll Free: 1800 620 305	Gosford NSW	Level 2, 40 Mann St, Gosford PO Box 354 Gosford NSW 2250 Client Services: 02 4304 8255 Toll Free: 1800 801 965	Port Macquarie NSW	Suite 1, Ground Floor, 40 Gordon St, Port Macquarie PO Box 2117 Port Macquarie NSW 2444 Client Services: 02 6516 1455 Toll Free: 1800 676 839
Melbourne Collins St VIC	Level 16, 440 Collins St, Melbourne GPO Box 2817 Melbourne VIC 8060 Client Services: 03 8615 3055 Toll Free: 1800 620 305	Liverpool NSW	Level 3, 1 Moore St, Liverpool PO Box 137 Liverpool NSW 1871 Client Services: 02 8738 2555 Toll Free: 1800 620 305	Tamworth NSW	Ground Level, 17 White St, Tamworth PO Box 297 Tamworth NSW 2340 Client Services: 02 6755 2055 Toll Free: 1800 248 609
Melbourne William St VIC	Level 13, 15 William St, Melbourne GPO Box 2817 Melbourne VIC 8060 Client Services: 03 8621 7155 Toll Free: 1800 620 305	Newcastle Honeysuckle Dr NSW	Level 2, 22 Honeysuckle Drive, Newcastle PO Box 1765 Newcastle NSW 2300 Client Services: 02 4016 2255 Toll Free: 1800 807 855	Wagga Wagga NSW	14 Morrow St, Wagga Wagga, PO Box 13 Wagga Wagga NSW 2650 Client Services: 02 5908 1755 Toll Free: 1800 641 109
Ballina NSW	191-199 River St, Ballina PO Box 1078 Ballina NSW 2478 Client Services: 02 6686 1655 Toll Free: 1800 656 474	Newcastle Hunter St NSW	199-201 Hunter St, Newcastle PO Box 500 Newcastle NSW 2300 Client Services: 02 4064 7655 Toll Free: 1800 620 305	Wollongong Crown St NSW	90 Crown St, Wollongong PO Box 84 Wollongong NSW 2500 Client Services: 02 4286 8455 Toll Free: 1800 620 305
Brisbane QLD	Level 10, 133 Mary St, Brisbane PO Box 15499 City East QLD 4002 Client Services: 07 3335 7055 Toll Free: 1800 357 085	Orange NSW	180 Anson St, Orange PO Box 2381 Orange NSW 2800 Client Services: 02 5310 1855 Toll Free: 1800 803 708	Wollongong Keira St NSW	Level 4, 280-286 Keira St, Wollongong PO Box 349 Wollongong NSW 2520 Client Services: 02 4231 2455 Toll Free: 1800 060 166

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